

Investors Prepare for Long Period Of Disquiet

Flight From Any Risk Signals a 'Sea Change' In Attitudes of Traders

By Carl Gwertz
International Herald Tribune

PARIS — The collapse of the year-long paradox of grim financial turmoil in East Asia and the seemingly irrational exuberance of financial markets in the West is likely to be long-lasting and have major impact on the behavior of investors worldwide.

Leading analysts say that deepening worries about the outlook in Japan and the widening of the crisis to engulf Russia and possibly also Latin America is raising uncertainties and worries about the exposure of Western financial institutions, particularly the banks, and more generally about continued prosperity in the industrialized countries.

"It's nothing less than a sea change in investor attitudes," said Simo Crane, a London-based trading adviser. "From trying to secure capital gains, investors are now only interested in how best to preserve the capital they have at their disposal."

Moreover, given the way this shift in attitude is being executed — a flight from any kind of risk — leading analysts predict that the disturbances that began last week are not likely to be reversed soon.

This means a continuation of volatile price movements in equity markets and highly disrupted credit markets. In other words, the world's markets are expected to continue falling except for the gold-plated bond markets of the United States, Germany and its closest allies.

John Lipsky at Chase Manhattan in London said investors are responding to a "progressive loss of confidence; an uncertainty about where true values lie."

In an almost perverse replay of earlier events, the avalanche of money rushing into the security of triple-A-rated government bonds — further lowering long-term interest rates that up to now have been seen as boosting confidence of businessmen and individual borrowers — is now beginning to alarm observers.

The flight from stocks and from less than top quality bonds and, if the rumors are to be believed, from bank accounts, into government paper is seen as the equivalent of money being stuffed under mattresses, removed from productive use and potentially destabilizing.

It remains to be seen what trouble the banks are in. Rumors are rampant about the vulnerability of European banks, heavily exposed in Asia and Eastern Europe, and traders confide that rumors circulating in financial markets about bank losses have reached "irresponsible levels."

Worries about the safety of financial intermediaries as well as the anxiety about next year's transition to the millennium at the same time as the European Union moves to its single currency might just be a potent enough package of concerns to persuade institutional investors to grab what profits they have and take a 16-month holiday starting now, Mr. Crane said.

What is unmistakable is the global flight away from risk and the rush into undisputed safety. This drove the yield on the 30-year U.S. government bond at the close of last week to a historic low of 5.45 percent. That is five basis points below what the Federal Reserve Board imposes as the cost for overnight money. Such an inversion of the yield curve, which normally slopes upward along the maturity spectrum, has never occurred in the course of normal business, but only after sudden changes in the administered overnight rate.

Most analysts interpret this to signal an impending economic slowdown and an easing of the Fed's monetary policy. But for Stephen Roach at Morgan Stanley Dean Witter in New York, who sees the U.S. economy still roaring ahead, the anomaly in the yield curve is evidence of how "financial markets are now priced for — or are in the process of discounting — the mother of all currency crises."

In Germany, the curve is still upwardly sloping despite a rush into Bunds that has driven the yield on a 10-year paper to a record low of 4.23 percent.

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Supporters of Osama bin Laden rallying in Karachi, Pakistan, on Sunday against the United States bombings.

But Back on the Domestic Front ...

By Brian Knowlton
International Herald Tribune

WASHINGTON — Pressure mounted Sunday on President Bill Clinton to go further in seeking the nation's understanding and forgiveness over the Monica Lewinsky scandal, with several of his closest personal and political allies publicly urging him to do so.

One of his allies, Representative John Conyers of Michigan, also said that a House vote to censure the president was significant because Mr. Conyers is the ranking Democrat on the House Judiciary Committee, which would be the first body in Congress to deal with a report from the independent counsel, Kenneth Starr, on possible grounds for impeachment.

The Lewinsky matter thus remained a focus of attention in Washington alongside the president's decision to launch missiles against alleged terrorist targets in Afghanistan and Sudan. Mr. Clinton's top national security aides again insisted during television interviews that his decision to launch the strikes was

not an attempt to divert attention from the Lewinsky matter. Some top presidential aides now believe that a further Clinton comment on the Lewinsky matter is inevitable, if not imminent, CNN reported. An array of comments by Clinton associates Sunday appeared to confirm that.

Lanny Davis, a former special counsel in the Clinton White House, indicated that the president wanted to amplify on his comments to the public.

"We need something more, the American people want some greater dose of coöperation," he said on CNN. "He does, and should want to complete the story."

James Carville, the Democratic consultant who has long been one of Mr. Clinton's closest allies and most passionate defenders, said that the president needed to expand on the explanations he offered on Aug. 17 in a four-minute televised speech.

Mr. Clinton has been harshly criticized by some Republicans in Congress, as well as a few Democrats, for failing

to answer questions on his decision to launch the strikes.

U.S. Explains Allegation of Plot on Pope

By John Mintz
Washington Post Service

WASHINGTON — Among the more surprising assertions in the list of terrorist plots attributed by the Clinton administration to Osama bin Laden was that the Saudi-born millionaire had planned to assassinate Pope John Paul II.

U.S. intelligence officials said that the reference, made by President Bill Clinton and other officials, was to an aborted 1995 plan to blow up the Pope during a visit to the Philippines, using a fragmentation bomb and a timer inside a digital watch. Although they provided no direct evidence tying the plans to Mr. bin Laden himself, they said the two men blamed for the plot, Ramzi Ahmed Yousef and Wali Khan Shah, had financial, ideological and personal connections to the bin Laden terrorism "network."

Mr. bin Laden previously had been linked by U.S. officials to many of the most notorious terrorist attacks or plots of the 1990s, several of which Mr. Clinton cited in his Oval Office address Thursday explaining the U.S. cruise

More on the Cruise Missile Strikes

• Officials describe the strikes as a response to the embassy bombings in East Africa and a significant departure from the United States' past practice of seeking international support for military action.

• The Zhawar Kili camp in Afghanistan targeted by cruise missiles could probably be described

more accurately as a primitive boot camp in the wilderness.

• A component of U.S. strategy in crafting a response to the embassy bombings and explaining the missile strikes is an effort to strip the terrorists of their religious justification.

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Missiles With a Message

Psychological Impact Also Part of the Strategy

By Barton Gellman
Washington Post Service

WASHINGTON — If last week's missile strikes were aimed at the vital underpinnings of Osama bin Laden's paralytic power, as one Clinton administration explanation maintains, they demonstrated the paucity of such targets available to those who aim America's conventional weapons of war.

Strictly in terms of materiel exchange, the United States expended \$79 million in satellite-guided cruise missiles to destroy thousands of dollars worth of obstacle courses, field barracks and tents.

But even as "centers of gravity," as strategists call the main sources of an

enemy's strength, neither the Sudanese factory nor the Afghan training camp pounded by the missiles has that kind of vital importance to Mr. bin Laden, according to senior military officers.

The measures of success for the missile strikes — like many of the engagements in what Secretary of State

NEWS ANALYSIS Madeleine Albright on Friday called "unfortunate the war of the future" — may continue to seem as diffuse and elusive as the confederation of extremist groups led by Mr. bin Laden.

Some government analysts argued that members of Mr. bin Laden's senior

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Saudi Arabian King Is Back in Hospital

DUBAI, United Arab Emirates (AP) — King Fahd of Saudi Arabia returned to the hospital late Sunday less than two weeks after being discharged, diplomats said.

He was admitted to King Faisal Specialist Hospital in the capital, Riyadh, the diplomats said. They gave no further details about his condition, and hospital officials were not available for comment.

The king, who is in his mid-70s, had

his gallbladder removed by a medical team led by a U.S. surgeon on Aug. 12. He was also admitted to the hospital on Aug. 2 and was hospitalized for short periods in March and April.

Fahd's health has been the source of much speculation since he suffered a stroke in 1995 that damaged his short-term memory.

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THE AMERICAS

President's Place in History Hangs in Balance as He Reels From ScandalBy Todd S. Purdum
New York Times Service

WASHINGTON — In a Presidents' Day interview with C-SPAN in 1995, Bill Clinton reflected with frustration on the state of books and biographies that were already presuming to eulogize a president then barely two years in office, declaring: "It's just crazy, I mean, how can you possibly reflect on someone — I mean, you know."

"I don't spend a lot of time reading them," Mr. Clinton continued philosophically, "just because I think that what I need to be doing is, I need to focus on today and tomorrow. I can't do anything about yesterday."

But Mr. Clinton has spent his whole life devouring biographies of his predecessors, and he now has more yesterday behind him in office than he does tomorrow. After the most tumultuous week of his presidency, capped by a dramatic strike on terrorist outposts abroad, the question that haunts Mr. Clinton is how he will be judged in light of the Monica Lewinsky matter.

For a man who, friends say, values his legacy above all else, Mr. Clinton has often seemed oddly heedless of the effect of the actions that will ultimately compose it. At a minimum, it seems safe to second the verdict of Senator Robert Torricelli, the New Jersey Democrat, who said last week that "Bill Clinton has probably assured himself to be a controversial historic figure."

Last week's events also showed once again how hard it is to fathom an ultimate answer, for less than 72 hours after his bumbling public confession of an inappropriate relationship with Ms. Lewinsky, Mr. Clinton was back in harness, vowing "a long, ongoing struggle between freedom and fanaticism, between the rule of law and terrorism."

Stephen Wayne, a presidential historian at Georgetown University, said: "To some extent, he tends to focus best and most like a laser as president when he's right on the brink of failure. It's almost as if he becomes careless, and then uses that great skill and

intellect to pull himself in line." Mr. Wayne said: "This is a president who is going to be remembered as much for the survival as he will for the scandal. That's a testament to his skill in using the presidency to his advantage."

For some time, Mr. Clinton has hoped that foreign policy, which daunted him early in his first term, could help redeem him in his second, in part because a unilateralist has more room to maneuver and greater likelihood of bipartisan support.

The president's hand in the fragile Ireland peace effort, the stabilization of Bosnia and his promised campaign against international terrorism may yet come to seem among the most substantial parts of his legacy.

Ronald Reagan rebounded from the depths of the Iran-contra affair to the deeper rapprochement with President Mikhail Gorbachev of the Soviet Union that cemented the end of the Cold War.

Mr. Clinton took office five years and seven months ago with sweeping goals, many of which, like overhauling the

nation's health-care system, fell victim to intense opposition and his own overreaching.

Others, like reaching agreement to balance the federal budget and passing a major restructuring of welfare, succeeded beyond his doubters' imaginings as Mr. Clinton pursued a synthetic style of politics that borrowed from and confounded both parties.

But now Mr. Clinton is at another crossroads, his dwindling tenure forcing him to compromise his power and most of his hopes for this year — tobacco and campaign finance legislation and a national discourse on race — glimmering ever more faintly while the Lewinsky matter stays in the spotlight. His job approval ratings remain high, but his party's political prospects are uncertain this fall, let alone two years from now, when he hopes the election of Vice President Al Gore to the presidency can assure continuance of his policies.

Just a year after the White House and Congress reached peace over the budget, the two sides are again headed

toward a showdown over taxes and spending. The administration has already issued seven veto threats against spending bills that Congress must take up when it returns from recess, seeking to restore financing for programs that Mr. Clinton favors or to delete language that would impose ideological conditions.

But the president may be forced to compromise to avoid the appearance of weakness.

What is more, Mr. Clinton will be operating with a demoralized staff and a cabinet whose own credibility become compromised by allowing them to embrace his denials in the Lewinsky matter. In recent months, some of the president's senior aides have taken to playing a mordant game among themselves: imagining how their own obituaries will reflect their service to a politician scarred by the Lewinsky scandal.

"What his legacy will consist of will depend, of course, on who's deciding," said Alan Brinkley, a professor of history at Columbia University whose work Mr. Clinton admires.

"All of these scandals and embarrassments will be part of any account of his presidency, but so will the things he's done that have not been affected by that, including perhaps his reorientation of the Democratic Party, which for better or worse is a very important part of his presidency."

In many ways, historians and politicians suggest that although it is too early to put Mr. Clinton's legacy in perspective, it will almost certainly rest principally on things he has already done, because his current problems can only compound his natural lame-duck status.

Although the latest New York Times/CBS News Poll last week found that 65 percent of Americans still approved of Mr. Clinton's job performance, 60 percent also believed the Lewinsky matter would have a serious effect on his administration over the next two years.

"We want to be careful with the institution of the presidency," said Senator Daniel Patrick Moynihan, the New York Democrat, who has never shied from speaking his mind about Mr. Clinton.

In an interview in the current issue of Playboy magazine, Mr. Moynihan reflected on the state of Kenneth Starr's investigation into the Lewinsky matter:

"A wounded president cannot govern well," he said. "I think we are being much too casual about this matter. Even though he's a lame-duck president, popularity and prestige can make him a formidable negotiator. But if he's diminished, he will not have the influence he needs with Congress. Legislators won't be afraid of him, won't want to help resolve a problem."

Mr. Clinton's best hopes for domestic achievements late in this term have been overhauling Social Security and Medicare, tough tasks that his advisers hoped he might elevate above partisan rancor with no more elections of his own to face, but that will be much more difficult in the bitter fallout from the Lewinsky case.

Congressional leaders of both parties have never especially trusted Mr. Clinton. The Republicans are now actively hostile and the Democrats are feeling betrayed.

"Maybe it was inevitable, regardless of what he did," as the first Democratic president to face the challenge of rebuilding a splintered party in the late 20th century, "he would have trouble," said Professor Joel Silbey, Cornell University historian. "He is, after all, the first Democrat to say, 'We have to find another way,' and that does not lead to a great deal of happiness about him or a great deal of memorable achievement."

A Crucial Task of Fence-Mending**To Survive the Scandal, President Needs the Help of Democrats**By Dan Balz
and John F. Harris
Washington Post Service

WASHINGTON — From the day he announced his presidential candidacy in 1991, Bill Clinton has been running against Washington. But as he struggles to save his embattled presidency, aides recognize that Mr. Clinton's fate increasingly depends on elected officials, particularly the congressional Democrats he has traditionally neglected.

Since allegations over his dealings with a White House intern surfaced in January, the White House has counted on polls that have shown no significant slippage in the president's job approval rating, even in the aftermath of his May Room speech Aug. 17 that even many allies judged a failure.

But with the battleground about to shift to Congress next month when the

independent counsel, Kenneth Starr, is expected to send it his report, Mr. Clinton understands that, as a first step, he must mount a major salvage job with Democrats in Congress if he is to survive what could be a protracted struggle.

Mr. Starr's investigation has focused most recently on the fact that Mr. Clinton had a sexual relationship with the intern, Monica Lewinsky, and may have broken the law seeking to cover it up.

"It's clear from the reaction to the speech that the whole matter is not behind us," said a senior White House official who has spoken with Mr. Clinton about the fallout from his Aug. 17 address. The president admitted he had an improper relationship with the intern, Monica Lewinsky, and had "misled people" in his public comments about it. He also attacked the office of the special counsel over its four-year investigation of his conduct, and for "prying" into what he

said were personal matters. The response from Republicans and commentators was particularly harsh, but it was the reaction by Democratic congressional leaders especially that unnerved the president's advisers. The Senate minority leader, Thomas Daschle of South Dakota, and the House minority leader, Richard Gephardt of Missouri, were openly critical of the president.

"The first thing he's going to have to do is deal with the leadership," said a senior aide, who added it was likely that Mr. Clinton would talk directly with Mr. Daschle and Mr. Gephardt, seeking absolution for his deception. "There's no scenario under which you're not going to have some difficult conversations," the aide said, adding, "They may say, 'Don't talk to us about the appropriations bills. You've got something more fundamental to deal with.'"

Some White House advisers say it is inevitable that Mr. Clinton is in for a tough round of criticism from within the party once Congress comes back from the summer break.

Mr. Starr's report is likely to include more embarrassing details of Mr. Clinton's relationship with Ms. Lewinsky and possibly evidence that he committed perjury or obstruction of justice.

"The only hope he has in having the playing field at least even is to solidify his base," a former administration official with close ties to Clinton aides said. "Republicans aren't going to stand up for him. He needs to have his base energized and at a minimum not criticizing him."

With his vacation over on Sunday, Mr. Clinton will start a trip to Russia and Ireland that will focus on the economic and political crisis facing Boris Yeltsin and the fragile peace process in Northern Ireland. After he returns from that trip, aides expect he will begin a round of domestic travel and return to issues that are popular with people. Mr. Clinton is eager to do battle over competing versions of plans to protect the rights of patients in health maintenance organizations, and the coming fights over appropriations bills may reprise the 1995 budget battle that led to a government shutdown.

The White House communications director, Ann Lewis, said the press of business eventually would dampen the furor over Ms. Lewinsky and Mr. Clinton's grand jury testimony. "Real-life issues beat scandal," she said. "The goal here is to move the debate back to where people think it ought to be about, which is what their government is doing."

But it is a measure of Mr. Clinton's weakened position that almost one-third of Americans surveyed on the night of the attacks on Afghanistan and Sudan said they believed Mr. Clinton's motivation in acting was to distract attention from the Lewinsky investigation.

"The bottom line is you have increased cynicism," a former administration official said. Legislatively, Mr. Clinton may have less room for brinkmanship with Republicans for the same reason. Some Democrats outside the White House said the president should find a way to compromise with the Republicans on the major appropriations bills, rather than seek confrontation.

"They're not negotiating from a position of strength," a Democrat said.

For U.S. Public, 2 Clintons Work Ratings High, but Character Doubts GrowBy David S. Broder
and Richard Morin
Washington Post Service

WASHINGTON — Americans continue to see President Bill Clinton as a strong leader in touch with their problems even as a growing majority express doubts about his honesty, integrity and moral character, according to a new Washington Post-ABC News survey.

The poll describes a public that sees two Mr. Clintons: The president whose stewardship of the nation's economy and decisiveness in foreign affairs they continue to applaud, and the man whose scandal-plagued personal life is viewed with increased disgust, embarrassment and even sadness.

At the end of last week, Mr. Clinton's job-approval rating stood at 66 percent, barely below its all-time high. Three in four people surveyed approve of the way he is handling the economy, his best performance on this key measure of his presidency. Seven in 10 surveyed said he was doing a good job directing U.S. foreign policy, also a record high.

At the same time, 28 percent said he was honest and trustworthy, while 19 percent said he had high moral and ethical standards — both new lows in Post-ABC surveys. Four in 10 said he probably did something illegal in connection with his affair with former White House intern, Monica Lewinsky. And half said he was not completely truthful about their relationship when he testified to a grand jury last week.

These sentiments were reflected in interviews with voters in an Illinois congressional district southwest of Chicago, which supported Mr. Clinton in the 1996 election but also elected a Republican House member.

"I voted for him," said Robert Hutchison, 45, a salesman for a soft-drink company. "But I probably should have gone the other way. He's done a good job as president, but he's been a liar

from the start. He has let the country down. I don't think it will help to impeach him. It would just be a waste of money."

In the Post-ABC poll, 62 percent said the president should not resign or be forced from office for lying about his relationship with Ms. Lewinsky. Just over half — 54 percent — said he should not be impeached even if he had encouraged her to lie under oath. But if the independent counsel, Kenneth Starr, turns over to Congress evidence of a pattern of instances in which the president had attempted to cover up other wrongdoing, more than half — 52 percent — said he should be impeached.

The survey of 1,015 randomly selected adults was conducted Wednesday through Friday. A separate survey of 416 adults was conducted Thursday and Friday, after U.S. missile strikes on supposed terrorist sites in Afghanistan and Sudan.

By a 3-to-1 ratio, Americans approved of Mr. Clinton's decision to strike at the organization suspected of directing the bombing of two U.S. embassies in East Africa. Only one in four said the president used the raids to divert attention from the Lewinsky investigation.

Many Americans also questioned whether Mr. Clinton could devote sufficient attention to the country's problems while dealing with his own. More than six in 10 said the scandal was interfering with his "ability to deal effectively with international terrorism and other problems around the world."

Few were surprised by Mr. Clinton's admissions last week, the poll found. More than eight in 10 said he merely confirmed their suspicions.

But nearly half said his televised speech last Monday had "disgusted" them. Four in 10 said they had felt "sad" to hear him admit an improper relationship with Ms. Lewinsky, and nearly as many said it had "embarrassed" them.

POLITICAL NOTES**Tight Race in Nevada**

WASHINGTON — From the start, the U.S. Senate race in Nevada has been rated "one to watch" because of the potential vulnerability of the two-term Democratic incumbent, Senator Harry Reid. But if recent polls are on the mark, the contest might well be upgraded to "one of the most important to watch."

Surveys indicate that Mr. Reid leads his Republican challenger, Representative John Ensign, by only 5 percentage points or so.

As political pros see the race, Democratic leaders in the Senate should not yet bank on Mr. Reid to help them hold the line against Republican gains this fall. (NYT)

tomb; they were identified in June using DNA technology and returned to family members for burial in St. Louis. But the medal will stay in Arlington, honoring those still missing from America's longest conflict, the Pentagon has announced.

Relatives of Lieutenant Michael Blassie, the air force pilot whose remains turned out to be those of the unknown, had asked that he be allowed to keep the medal.

But in a letter to the family, Undersecretary of Defense Rudy de Leon said the Pentagon had decided that the medal had been a symbolic award to all service members who lost their lives in the conflict and not to any individual service member. (AP)

Quote/Unquote

Patricia Ireland, president of the National Organization for Women, as women continue to unscramble their reactions to the Lewinsky scandal: "Consensual sex with a White House intern is an abuse of power by the president, but consensual sex is not illegal harassment and it is not an impeachable offense. Nor is it in the best interest of our country for the president to resign." (WP)

A Decoration Lost

WASHINGTON — Fourteen years ago, at a solemn ceremony at Arlington National Cemetery, the Medal of Honor, America's highest decoration, was awarded to an anonymous representative of the Vietnam War whose remains were interred in the tomb of the Unknowns, "known but to God." The remains are now gone from the

• A 9-month old baby strapped into a car seat survived a four-car pileup in Palmdale, California, that killed his parents and another motorist, the police said. The baby, Jakob Stein, suffered a broken leg. His father, Keith Stein, 23, and mother, Teresa Stein, 22, were killed. (AP)

• Chicory, a 13-year-old gorilla who survived landmark brain tumor surgery in 1994, died Saturday at the Brookfield Zoo near Chicago. Chicory had shown no symptoms of medical problems and seemed to be in excellent health until his death. An autopsy was inconclusive, but further tests were pending, the zoo said. (Reuters)



Guards checking vehicles Sunday outside the compound at which President Bill Clinton is vacationing on Martha's Vineyard, Massachusetts.

Sumi Callahan/Associated Press

Southern Africa Trade & Investment Summit

Cape Town, December 1-2, 1998

Foreign investment in Africa receives higher rates of return than in other developing regions, and Southern Africa continues to create expanding opportunities for trade and investment. To assess the region's potential, the International Herald Tribune is convening the fourth annual Southern Africa Trade & Investment Summit in Cape Town on December 1-2.

Deputy President Thabo Mbeki and heads of state from the region will attend this high-level gathering. They will be joined by senior representatives from some of the world's foremost companies investing in Southern Africa, as well as business and finance leaders from the region.

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INTERNATIONAL

12 African Leaders Urge Congo Cease-Fire but Do Little Else*The Associated Press*

PRETORIA — African leaders on Sunday called for an immediate cease-fire in the Congo crisis, after a two-day meeting that lacked many of the key players.

President Nelson Mandela of South Africa told reporters the agreement was adopted unanimously by 12 members of the Southern African Development Community, who recognized President Laurent Kabila's continuing right to govern in the Congo in the face of a rebel incursion.

Mr. Kabila did not attend the meeting, but he sent a representative.

The leaders also called for a troop standstill and urged the Congo to hold elections "within a reasonable amount of time, taking into account the realities"

of the country, the statement said. Mr. Kabila has ruled with an iron fist since he ousted the dictator Mobutu Sese Seko from the former Zaire last year, and he has alienated ethnic groups that helped him.

He claims that neighboring Uganda and Rwanda, whose presidents attended the meeting, are backing the disgruntled rebels in their attempt to unseat him.

President Yoweri Museveni of Uganda and President Pasteur Bizimungu of Rwanda deny Mr. Kabila's charges that they have been backing the rebel troops.

Mr. Mandela has sought to use his international stature to give South Africa a leadership role in the region, using the southern Africa development organization as the structure.

■ South Africa Fails to Lead*Suzanne Daley of The New York Times reported from Pretoria:*

While South Africa attempted to find a peaceful resolution to the problems of the Congo, its unimpressive results so far are in some ways predictable.

After years as an isolated, pariah state, South Africa is still struggling to find its footing among its neighbors — many of whom remain suspicious and resentful.

In the four years since South Africa elected its first black president and joined the South African Development Community, its huge corporations have been quietly expanding across the continent elbowing out local competition.

And the international admiration afforded Mr. Mandela has clearly made

some of Africa's other leaders — particularly Zimbabwe's president, Robert Mugabe, who used to be the most influential regional leader — jealous.

So few experts in Pretoria were surprised that Mr. Mandela failed to bring Mr. Kabila to the table. Mr. Mandela had hoped he could gather the leaders of Uganda, Rwanda, the Congo and Zimbabwe over the weekend to hammer out a peaceful resolution.

Both Mr. Bizimungu of Rwanda and Mr. Museveni of Uganda, who are widely believed to be supporting the rebels, arrived in Pretoria as planned. But both Mr. Kabila of the Congo and his ally, Mr. Mugabe, sent word that they were ill.

Mr. Mandela's hope was that he could negotiate a cease-fire and then present a

plan for the future to a Sunday meeting of all the members of the Southern Africa Development Community. Instead, the group only issued a statement "calling for a cease-fire."

"The countries directly affected by the situation in the Congo undertook to desist from any hostile propaganda against one another and any other activities which may result in increasing tensions," the statement said.

But under questioning, Mr. Mandela had to admit that there was no timetable or mechanism in place for a cease-fire. Nor was it clear whether Mr. Kabila had approved of the statement. Angola, which like Zimbabwe has sent troops into the Congo to help prop up Mr. Kabila, was also not present at the Sunday meeting.

BRIEFLY**Iraq May Soon Get New UN Inspection****UNITED NATIONS, New York:**

— The chief UN arms inspector for Iraq, Richard Butler, has warned that he might soon test Baghdad's resolve to block further weapons inspections by sending his team to examine a new site.

"I do not rule this out," said Mr. Butler, the Australian diplomat who is charged with eliminating Iraq's weapons of mass destruction. "We have plenty of interesting information, and it is I who decide when to launch an inspection."

On Aug. 17 the Security Council called Iraq's refusal to allow the inspectors to visit new sites "totally unacceptable," and instructed the inspectors to continue their work. But it studiously avoided making any new threats against Iraq or saying what it would do if the inspectors were stopped. (NYT)

Castro Makes Up With Old Adversary

SANTO DOMINGO, Dominican Republic: — Fidel Castro of Cuba and his old adversary, Joaquin Balaguer, the former president of the Dominican Republic, buried the hatchet on Sunday in a remarkable meeting of two aging Latin American strongmen.

In a scene that defied decades of antagonism, Mr. Castro sat next to Mr. Balaguer on a sofa in a small room in Mr. Balaguer's Santo Domingo compound. "As a soldier, I am at your orders," Mr. Balaguer, 92, was heard to say to Mr. Castro.

Mr. Castro, 72, and Mr. Balaguer, a conservative who ruled the Dominican Republic for 22 of the last 36 years, exchanged compliments and chatted for about 40 minutes. (Reuters)

Terrorist Abu Nidal Called Gravely Ill

BEIRUT — The Palestinian guerrilla chief Abu Nidal, wanted in the West for scores of terrorist attacks, is dying of cancer in a private hospital in Cairo, an Arabic newspaper on Sunday quoted Palestinian sources as saying.

Shaykh al-Awsat, published in London, said that Sabri al-Banna, better known by his nom de guerre of Abu Nidal (Father of the Struggle), "is under care in a private hospital in Cairo after his health has grown worse." (AFP)

RUSSIA: Another Shake-Up*Continued from Page 1*

fication. And the decision to restructure the government's debt probably ensures that the Kremlin will be unable to borrow money from private investors for many months, or perhaps years.

The Russian press heaped scorn on Mr. Yeltsin, saying he had deviated himself along with the ruble. Public confidence in him is at a record low.

The Duma, the lower house of the Russian Parliament, excoriated Mr. Yeltsin in an emergency session Friday and recommended, by an overwhelming vote, that he resign.

On Friday, Mr. Chernomyrdin said: "We do not have any government today. And let's not lie about it. The government is to blame for what has happened, and naturally the Central Bank. We need to move the economy away from the abyss."

A former Soviet bureaucrat who once headed the national gas monopoly, Gazprom, Mr. Chernomyrdin has been working since March to garner support for a run for the presidency in 2000.

Although Mr. Yeltsin appointed him only temporarily to the post of prime minister, his re-entry in the government gives him more credibility as Mr. Yeltsin's successor.

The terse announcement from the presidential press service said only that the government had resigned. Mr. Kirtyenko was at work Sunday, trying to work out measures to save Russia's banks from collapse.

Only with great effort was Mr. Kirtyenko confirmed by the Russian Parliament in the spring. Since then, he has won the respect of many Western leaders for his commitment to reform, his calm in the face of crisis and his businesslike approach.



Mr. Chernomyrdin, right, named acting prime minister Sunday, raising a toast in happier times with the man he replaced, Sergei Kirtyenko.

On Friday, Mr. Kirtyenko told the Duma that the brunt of the financial crisis was still to come and the government did not have the luxury of popularity.

"Investments do not come into a country in which the branches of government cannot come to terms between themselves," he said. "As a result, there are constant calls for a change of course."

According to the Interfax news agency, Mr. Chernomyrdin was already holding consultations on forming a new government Sunday night. By law, the president cannot fire the prime minister without firing the entire cabinet.

The chairman of the Duma, Gennadi Seleznyov, hailed Mr. Yeltsin's decision to fire Mr. Kirtyenko. He told Interfax that he had expected the government to be removed because "it is not capable of working efficiently."

But he expressed apprehension about Mr. Chernomyrdin's appointment.

"This endeavor is unlikely to succeed, since Kirtyenko's government, which survived just over 100 days, continued what the former cabinet was doing," he said.

Gennadi Zyuganov, leader of the Duma's Communist Party, said Mr. Yeltsin fired the government without consulting legislators.

"It is an upside-down decision," he said. "The president has another option: First, hold consultations with members of Parliament, determine priorities in this issue and then act."

He did not comment directly on Mr. Chernomyrdin's appointment, saying only, "We have not had a government since spring, and we spoke about it recently."

Alexander Shokhin, head of the Our Home is Russia faction, applauded the return of Mr. Chernomyrdin, who he said could stabilize the situation.

Although some blame Mr. Chernomyrdin for the current crisis, Mr. Shokhin said, he is not "a merely technical prime minister," like Mr. Kirtyenko, and his government will probably be supported by the legislature.

None of Mr. Kabila's many fallings-out has been more dramatic than the

CONGO: Rebels Claim Advance*Continued from Page 1*

Mr. Kabila, who with the backing of Rwanda and Uganda overthrew the dictator Mobutu Sese Seko 15 months ago, has accused his former allies of fueling the rebellion.

Both countries have dismissed the charges but have threatened to intervene if Zimbabwe and Angola do not pull out.

Soldiers led by ethnic Tutsi began the rebellion in the east of the country on Aug. 2 after Mr. Kabila ordered all Rwandan troops to leave the former Zaire.

Rwanda and Uganda say their national security is at stake.

In the Congolese capital Kinshasa the mood was calm, with residents apparently taking events in their stride.

"We don't feel threatened," a 53-year-old jogger, Hema, told Reuters as he and several friends sweated their way along a dusty track at a soccer field in northern Gombe district.

The veteran opposition leader Etienne Tshisekedi, calling for a cease-fire, said the conflict was an internal issue and should be dealt with accordingly.

Mr. Kabila's rule over this vast and fractured country has been criticized widely. Despite some economic reforms and enhanced personal security for residents, Mr. Kabila's reign has been marred by his ban on political parties, the jailing of opponents and his government's attitude of suspicion toward foreign investment. And Congo has been sidelined internationally, with little foreign aid coming in, because of Mr. Kabila's refusal to allow a United Nations team to investigate massacres allegedly committed by his and Rwandan forces.

Mobutu.

None of Mr. Kabila's many fallings-out has been more dramatic than the

recent one with Uganda and Rwanda. So close were they that Rwandan officers once led Mr. Kabila's army, and Uganda offered its guidance as the senior coalition member. But the alliance collapsed over border security issues and disputes about the balance of regional power among them. Rwanda and Uganda refused in May to attend a regional summit meeting on peace and security; nor did they attend the anniversary celebrations that same month marking Mr. Kabila's first year in power.

The rebellion began when ethnic Tutsi in the Congolese Army mutinied against Mr. Kabila. It began in the country's far east, but quickly moved by air when rebels hijacked several airplanes to ferry troops to the far west. The Tutsi coalition, representing a small regional minority, soon was joined by other political and military factions. Rwanda denies playing a role, though diplomats say it is indispensable. But, like Uganda, Rwanda has threatened publicly to join the fight. (Reuters, AP, WP)

President Pasteur Bizimungu of Rwanda during talks in Pretoria.

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Spanish Report Says Algeria Could Make Nuclear Arms Fuel*Reuters*

MADRID — Spanish military intelligence has predicted that Algeria will be able in two years to produce weapons-grade plutonium, a newspaper reported here on Sunday.

Weapons-grade plutonium is a key ingredient for making atomic bombs.

The newspaper El País quoted a report by the military intelligence service CESID, as saying that Algeria, despite having signed the Nuclear Nonproliferation Treaty, had forged ahead with a nuclear program that far exceeded its civilian needs.

El País quoted the report as saying that Algeria had been aided by China and Argentina under technical accords reached in the 1980s.

The newspaper said that the intelligence report had been submitted to the government last month.

El País said that CESID agents had reported that the nuclear complex at Bataïne, 250 kilometers (155 miles) south of Algiers, had a heavy-water reactor in operation already that was capable of producing weapons-grade plutonium.

Algeria has always denied that its two nuclear reactors were intended for any military use.

In 1991, it denied reports by American and British news organizations that one of the reactors, built by China, was intended for the production of arms.

The country formally renounced its nuclear weapons in January 1995, when it joined the nonproliferation group.

It signed an agreement in 1996 with the United Nations International Atomic Energy Agency to open its reactors to inspection.

In Algiers on Sunday, the government immediately dismissed the report in the Spanish newspaper.

"This information is completely false and is mere fantasies," Abdelaziz Staib, a spokesman for the Foreign Ministry, said.

Here in Madrid, Spanish officials were not available for comment.

Hard-Line Ex-Chief Prosecutor Is Slain by 2 Gunmen in Tehran*Compiled by Our Staff From Dispatches*

TEHRAN — A former Iranian chief prosecutor was shot and killed Sunday by unidentified assailants, the official Iranian press agency, IRNA, reported.

Assadollah Lajevardi, who also was a former chief of Iranian prisons, was killed by two gunmen at his drapery shop in Tehran's grand bazaar, the agency said.

One of the gunmen opened fire with a Uzi as Mr. Lajevardi, 63, was speaking to them, IRNA said. Police arrested one of the assailants. The fate of the other gunman was not immediately known.

Mr. Lajevardi's brother and an elderly man who tried to intervene also were shot and killed, the press agency said.

A Baghdad-based opposition group, Mujahidin Khalq, claimed responsibility for the attack.

"At noon today, Mujahidin operational units in Tehran carried out an operation targeting Assadollah Lajevardi, the Butcher of Evin," it said in a statement read over the telephone to The Associated Press office in Cairo. Mr.

Lajevardi was a former head of the notorious Evin prison in northern Tehran.

The group said it timed the attack to coincide with the 10th anniversary of a massacre of political prisoners in Iran.

The killings of Sunday were the first major operation by the Mujahidin since June, when three people died in a bomb attack on a court building in the capital.

Mr. Lajevardi was described as a "tireless struggle for the Islamic revolution" and a "selfless soldier," of the late spiritual leader Ayatollah Ruhollah Khomeini and a "companion" of the current leader, Ayatollah Ali Khamenei.

Mr. Lajevardi, a hard-line who supported the Parliament speaker, Ali Akbar Nateq-Nouri, in last year's presidential election, was a founding member of the Coalition of Islamic Resistance Group, an influential body whose members hold key government posts.

(AP, AP)

French Minister, in Tehran, Sees Readiness to Build Ties With West*Reuters*

TEHRAN — The French foreign minister, Hubert Vedrine, wrapped up a ground-breaking visit to Iran on Sunday, saying he was convinced of Tehran's readiness to build its relationship with the West.

He also said he did not believe a renewal of tension between the United States and some Islamic countries over U.S. air attacks on suspected terrorist targets in Sudan and Afghanistan would affect this process.

"I did not have the feeling that recent events would change this," Mr. Vedrine

said at the conclusion of the first visit to Iran by a French foreign minister since 1991.

The European Union lifted a ban on high-level contacts with Iran in February. Mr. Vedrine's visit is expected to help pave the way for intensified economic cooperation between France and Iran.

The Iranian government, he said at a news conference, "wants to see the country recover the place that belongs to it."

He added: "They want to do it under certain conditions. They are very attached to their identity and their values. Nonetheless, the general idea is to develop dialogue and intensify relations."

Mr. Vedrine, who met with President Mohammed Khatami, said he had delivered an invitation for him to visit Paris at a date to be arranged later. The

EUROPE

Kohl and Schroeder Hit the Campaign Trail as German Race Narrows

By Edmund L. Andrews
New York Times Service

BERLIN — Germany's two main political parties began the last days of their election campaigns, with Chancellor Helmut Kohl and his Christian Democratic Union in an uphill fight to avoid being removed after 16 years in power.

With the elections scheduled for Sept. 27, Mr. Kohl lags significantly in popularity polls behind Gerhard Schroeder, the comparatively telegenic candidate of the Social Democratic Party.

But the most recent polls show that the race is getting much closer and that a large percentage of Germans are unhappy about both candidates.

While many voters say Mr. Kohl is tired and uninspiring, many are also skeptical about Mr. Schroeder and his vague pledges to reduce unemployment through an "alliance for jobs" between corporations, unions and the government.

The ambivalence and uncertainty characterizes voters as well as the can-

candidates. About 50 percent of the voters are either undecided or at least shaky about their preferences, more than in past elections. And even though unemployment remains at near-record levels and taxes continue to climb, neither party is campaigning for fundamental changes.

Indeed, at kick-off rallies by each party this weekend, each candidate spent much of his time harking back to the past.

Mr. Kohl, at a rally Sunday before 20,000 Christian Democrats in Düsseldorf, returned time and again to his years of experience as chancellor and his role in the reunification of Germany in 1990.

"We are proud that, in our most important hour, we made the right decisions," he said. "We in the CDU have written a very important part of history."

Mr. Schroeder is campaigning on his image as a vigorous and somewhat pro-business leader who has an eye on the future. But his most specific promises so far have looked toward preserving Ger-

many's traditional and generous social welfare system.

He has vowed to reverse modest cuts in pension and sick-leave benefits that Mr. Kohl pushed into law.

Speaking to about 14,000 supporters in Bonn on Saturday, Mr. Schroeder also looked backward by dwelling on the need to preserve social programs rather than on the need for deep change.

"We want a work society in which a person can go into a factory without fear, in which one works because he is motivated," Mr. Schroeder shouted hoarsely to a rain-drenched crowd. "The strength of this country, the strength of this economy, comes from the 100 millionaires who send their money out of the country. It comes from the millions of workers."

Many analysts now predict that neither party will win enough seats in Parliament and that both will be forced to enter a "grand coalition."

"The politicians are afraid of telling the public that the reforms they need will cost a lot of money and bring a lot of pain," said Jürgen Falter, a political scientist and voting analyst at Johannes Gutenberg University in Mainz. "But I think many people are really angry about being treated like children. The skepticism among voters about the ability of politicians to solve their problems has increased."

But other analysts believe that the campaign is going through major changes. They note that leaders within the Social Democratic Party have begun to hint at their own willingness to join the Christian Democrats in a "grand coalition," assuming Mr. Schroeder is in charge.

Until recently, Social Democrats have insisted that they would most likely form a coalition with the Green Party, a former environmentalist party that has broadened its appeal.

But the Greens have lost considerable popularity in the last two months, partly because they have called for a huge increase in gasoline taxes as well as for a new speed limit on German highways—proposals that strike at the heart of many Germans who love to drive powerful cars at blinding speeds.

Mr. Schroeder has bluntly ridiculed both proposals. The Greens have seen their support in polls drop from about 12 percent in November to about 6 percent now. Last week, the head of the Social Democrats, Oskar Lafontaine, said he would be willing to enter a coalition with the Christian Democrats if his party had no alternatives.

Mr. Kohl has attacked any hint of forming a broad coalition, possibly fearing this might induce undecided voters in the political center to vote for the Social Democrats.

But some analysts predict that the danger of being forced into such a coalition will prompt Mr. Kohl and the Christian Democrats to sharpen their tones and stress deeper policy differences.

"We've had a very sleepy electoral campaign so far, but I am quite sure that the sleepy phase comes to an end right now," said Werner Pätzelt, professor of political science at Dresden Technical University.

"The Christian Democrats have to show that there is no basis for a grand

coalition, that there is a real difference between the two parties," he added. "That means that they will have to show people that this election is one about the fundamental direction of the country."

Voters Back 'Grand Coalition'

A "grand coalition" between the governing conservative parties and the opposition Social Democrats would be the best way to solve the country's problems, a majority of Germans said in an opinion poll to be published Monday, Agence France-Presse reported from Bonn.

In the survey for the weekly magazine Der Spiegel, 54 percent of those surveyed said they favored a coalition between the Christian Union parties and the Social Democrats.

Polls predict that neither the Christian Union parties nor the Social Democrats will win an overall majority, making alliances with smaller parties necessary.

An Ennid Institute poll of 1,500 people found that 26 percent of voters are still undecided.

Guards Kill Albanian at U.S. Complex

By John Kifner
New York Times Service

TIRANA, Albania — American security men shot and killed an Albanian police officer on Sunday in a bizarre incident in which he apparently attempted to enter the closed U.S. Embassy.

Several bursts of automatic-weapons fire and individual shots crackled through the capital just before noon on a sleepy Sunday.

Albanian police rushed to seal off the area around the embassy, a big yellow stucco complex behind an iron fence. Two recreational vehicles filled with heavily armed Americans in civilian clothes were seen wheeling out of the area.

The embassy was shut down a week ago and many of its personnel evacuated in the face of what U.S. officials regarded as a serious bomb threat. This summer, Albanian secret police operating under the direction of American intelligence, arrested five wanted Egyptian Islamic terrorists.

The handful of remaining American diplomats are working from behind the gates of their suburban-style residential compound, where Marine reinforcements dug a sandbag machine-gun nest on somebody's front lawn.

Witnesses on the street said the American security men yelled at the policeman to put down a revolver he held in his hand and, after warning bursts over his head, shot him when he did not. By some accounts, he was trying to climb the iron fence. Albanian police were also reported to have fired in the air.

Albanian officials said the uniformed policeman, who was not immediately identified, was normally assigned to the Central Bank. There was no immediate explanation of his act.

Serbs and Kosovo Rebel Army Renew Attacks

Compiled by Our Staff From Dispatches

PRISTINA, Yugoslavia — Ethnic Albanians accused Serbian forces of launching a "strong and massive" artillery attack Sunday on several rebel-controlled villages in southwestern Kosovo.

The reported assault came a day after the Serbs accused guerrillas from the Kosovo Liberation Army of firing on Serbian police and a Yugoslav Army unit in the same region, along the road leading south from the provincial capital Pristina.

Civilians fled from the area, the Kosovo Information Center said. The center, which is close to the pro-independence Kosovo leadership, said the assault began after police ordered residents early Sunday to evacuate a suburb of Suva Reka, 45 kilometers (about 30 miles) southwest of Pristina. The police then took positions there to open fire on the KLA, the center maintained.

The reported attacks could not immediately be confirmed.

After a string of defeats in recent weeks, the KLA announced it would switch to guerrilla tactics rather than face the powerful Serbian police and Yugoslav Army in an open confrontation.

The latest Serb actions, if confirmed, may have represented a retaliatory move.

The ethnic Albanians claimed the Serbs have embarked on a new offensive to purge the rebels and secure important roads. They cited another alleged attack on a cluster of villages several kilometers to the north, closer to Pristina.

Fighting was also reported west of Pristina, where the government forces launched a grenade attack against nearby villages, causing a new flood of refugees, ethnic Albanian sources said.

A spokesman for the Yugoslav Army was quoted by the state press agency, Tanjug, as saying the army had "liquidated" more than 450 "Albanian terrorists" in the troubled province. The spokesman said "border units will continue to perform their duties of protection of the state border and defense of sovereignty of Yugoslavia," adding that "there will be no passage for terrorists."

The press agency said the toll did not include members of the Kosovo Liberation Army.

The Kosovo Human Rights Committee said last week that 583 ethnic Albanians, most civilians, have been killed since the start of the conflict six months ago. At least 230,000 people, mostly ethnic Albanians, have been displaced since fighting escalated.

Albanians outnumber Serbs by roughly 9-1 in Kosovo. Clashes between rebels and government forces began after the Serbs launched a major offensive on Feb. 28. (AP, AFP)

Irish Leader Foresees a Long Battle for Peace



Prime Minister Tony Blair and Mrs. Blair going to church Sunday in France. (John Phillips/Associated Press)

The Associated Press

BELFAST — The prime minister of Ireland, Bertie Ahern, predicted that opponents of Northern Ireland's peace accord would mount more attacks, despite a security crackdown and general revulsion over the Omagh bombing.

"I'd love to say to you that I believe this is the last event," Mr. Ahern said in a BBC interview that was broadcast Sunday. "But I think there is a small element—and they are small—who do not share that feeling. They believe that they have some kind of a mandate, from some period in history, that gives them some right to do this."

The prime minister's interview was recorded Saturday, after he joined more than 20,000 people in Omagh for an emotional memorial to the 28 people killed there by a car bomb on Aug. 15.

The Irish Republican Army formally stopped its bombing and shooting in July 1997, but three dissenting factions continued their violence in pursuit of the IRA's traditional goal, which is to abolish Northern Ireland's link with Britain.

The group that claimed responsibility for the Omagh bomb, a faction calling itself the Real IRA, said Wednesday it had "suspended" violence, a step apparently short of a cease-fire.

But the Continuity IRA, another group that emerged following an abortive IRA cease-fire in 1994, has remained silent. It has detonated

bombs in several towns since 1995, causing much destruction but no deaths.

Like the Real IRA, the Continuity IRA has its roots in the counties of the Irish Republic that border Northern Ireland. Security officers say they believe the group has only a few dozen members.

Prime Minister Tony Blair of Britain is to visit Omagh for the first time on Tuesday. He is expected to announce plans to toughen the anti-terrorist laws.

One of the measures being considered by Mr. Blair's government is one that would allow testimony from a senior police officer to be deemed sufficient evidence to convict suspects of belonging to a paramilitary group.

Mr. Ahern announced on Wednesday that a similar measure would become law within weeks in the Irish Republic.

In an article published Sunday in the Observer in London, Mr. Blair rejected hard-line appeals for his government to assassinate persons thought to be leaders of the Real IRA.

"Yes, the group behind this bombing is small in number and the names of many are known to us," Mr. Blair wrote. "In a world dominated by terror, yes, we could, to use the parlance, 'take them out.'

But, Mr. Blair wrote, to kill those on the intelligence list of Real IRA leaders would undermine Britain's democratic credentials.

ASIA/PACIFIC

Concern in Hong Kong: A Sharp Tongue Is Silenced, for Now

By Mark Landler
New York Times Service

HONG KONG — On any given morning here, you could turn on the radio and hear Albert Cheng lay into Beijing, the Hong Kong government, the Hang Seng stock index, politicians, property tycoons, lawyers, newspaper editors — in short, anything that matters in this former British colony.

Last Wednesday morning, two unidentified men attacked Mr. Cheng with

carving knives as he arrived at work, inflicting deep slashing wounds on his arms, back and right leg that required six hours of surgery.

Mr. Cheng will survive. But in a city where talk radio has become a vital form of public expression, the brutal assault on its most famous practitioner has left people reeling. Doctors said he may no longer be able to wield chucks. Listeners fear he may no longer wield his sharp tongue.

"I see it as a threat to

people who want to be outspoken," said Emily Lau, a member of the Legislative Council and herself a vocal critic of both Beijing and the Hong Kong government.

"People may say, 'Why should I bother?'"

Mr. Cheng's radio program, "Teacup in a Storm," is far and away the top-rated morning show in Hong Kong. It has become a potent outlet for the territory's 6.5 million people to sound off about issues ranging from the Asian financial crisis to Hong Kong's handover to Chinese rule last year.

And it turned the 52-year-old Mr. Cheng into one of the most influential — and controversial — figures in town.

The police said Friday they did not have a motive for the assault, which occurred as Mr. Cheng was striding into the studios of his station, Commercial Radio, in Kowloon.

Police inspectors said they were studying tapes of Mr. Cheng's last 40 radio broadcasts to see if he had made

remarks about people or groups that might have been deemed offensive.

If being offended by Mr. Cheng was a sufficient motive to attack him, most of official Hong Kong would fall under suspicion.

In a raspy voice and style that he himself describes as "sarcastic," Mr. Cheng regularly buried insults in Hong Kong's chief executive, Tung Chee-hwa, and many of his top advisers.

"We don't know the motives behind this crime," said Kin-ming Liu, the chairman of the Hong Kong Journalists Association. "We may never know."

Indeed, the two most notorious attacks on Hong Kong journalists in recent years remain unsolved. Leung Tin-wai, a magazine publisher, was attacked and his left forearm chopped off with a meat cleaver by two men outside his office in May 1996. Jimmy Lai, a Hong Kong media magnate known for his criticism of China, was robbed in his home by knife-wielding intruders in December 1995.

Given the striking similarity between last week's attack and that on Mr. Leung two years ago, Mr. Cheng's co-host, Peter Lam, believes this is hardly a case of a business deal gone sour. "Albert thinks there is a high degree of probability that it was related to remarks he made on the air," he said.

STOCKHOLM — As many as 31 percent of Swedish voters are unsure of which party they will vote for in the general election next month, according to an opinion poll published Sunday.

With less than four weeks to go before the election on Sept. 20, the SIFO poll, taken from Aug. 17 to 20, showed a drop in support for most parties. (Reuters)

For the Record

Polish emergency workers were battling a huge heating oil spill on the River Odra on Sunday to prevent it from reaching Germany, an environmental official said. In Germany, the river is known as the Oder. (Reuters)

Sweden Put Off Party Choice

OSWIECIM, Poland — Despite calls by church officials to stop, conservative Catholics erected dozens more crosses Sunday next to the former Nazi death camp of Auschwitz.

The new crosses, some of them hand-carved, were certain to anger Jewish leaders who want all crosses removed from the site, including an eight-meter (26-foot) papal cross that has stood there for almost a decade.

Most of the more than 50 crosses put up Sunday were four meters tall and increased the total number of crosses in the field bordering Auschwitz to well over 100. (AP)

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After the handover, Mr. Cheng seized on any hint that Beijing was eroding civil liberties in Hong Kong.

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Target: Terrorism / A Bolder Policy

America Runs Out of Patience for Building Consensus Against Its Enemies

By Steven Erlanger
New York Times Service

WASHINGTON — American and Western officials describe the Clinton administration's decision to use missile strikes to respond to the embassy bombings in East Africa as a significant departure from its past practice of seeking international support and UN authorization for American military action.

In the past, citing "aggressive multilateralism," the Clinton administration has waited for law enforcement authorities to come to a conclusion or has sought the broadest possible international support for its actions. It has preferred to use sanctions or to secure a United Nations Security Council resolution authorizing the use of force after presenting the evidence.

But the long stalemate in the Middle East, the lack of Saudi cooperation in the investigation of the 1996 bombing of American soldiers at Kobar Towers and the shift in Iraqi policy because of irresolution from the Security Council, President Bill Clinton was less inclined to

wait and allow America "to again appear weak or irresolute," a senior U.S. official said.

"This is a departure," a senior State Department official said. "This is the beginning of a serious effort to go after terrorists who threaten Americans."

Several officials, all of whom spoke on condition of anonymity, defended the rapid use of military force against the alleged terrorism network of Osama bin Laden, citing several factors: the ambivalence of Muslim allies, the delay at the United Nations in dealing with Iraq, and mounting evidence of plans for more attacks on American embassies.

Another official emphasized the importance of imminent threat rather than retaliation. "We're not in the tit-for-tat business," the official said. "We're in the deterrence business." Deterrence, he suggested, is not built on legalistic niceties or

A senior White House official said: "The threat was credible and imminent to American citizens. It was directed to us, not to the UN. To take other measures would have risked human lives."

American credibility in the Arab world was already damaged because of Washington's inability to secure an interim settlement in the Middle Eastern peace negotiations. Arab governments are reluctant to provide public support for U.S. military operations like Thursday's, even when they are aimed at Mr. bin Laden, who is alleged to be working to undermine those very governments.

Senior Arab diplomats said that Arab ambassadors complained Friday to the assistant secretary of state for Near Eastern affairs, Martin Indyk, that striking Sudan, a member of the Arab League, was a strategic error. They noted that even Egypt had chosen to keep publicly silent about the strikes. The state-controlled press in pro-Western Gulf states like Qatar and Abu Dhabi sharply attacked the American strikes as arrogant.

But these governments did not make a point of defending Mr. bin Laden in private.

Hala Maksoud, president of the American-Arab Anti-Discrimination Committee here, said the strikes "reinforce the impression that the

U.S. is trigger-happy when it comes to the Arab world." While Sudan and the Taliban, the militant Islamic group that controls most of Afghanistan, are isolated among other Muslims, she said, "because of the Israeli stalemate and frustration, the Arab world ends up sympathizing with Sudan and Taliban."

"The impression is that the United States preempted the results of its investigation, did not give Afghanistan a chance to hand over bin Laden, did not go to the Security Council or show evidence or rally world opinion or consult its allies, but just is going it alone and undermining the international community and its will."

Ironically, senior American officials say, there are indications of significant progress just in the past few days in negotiating an agreement between Israel and the Palestinians over a 13 percent withdrawal of Israeli troops from the West Bank.

The Americans thought they would have more support, given Mr. bin Laden's presumed threat to Arab regimes, according to Kenneth Katzman, the senior Middle Eastern analyst at the Con-

gressional Research Service, "but the Arab street matters, and moderate Arab governments are afraid of inflaming bin Laden supporters in their countries, and the numbers of those supporters have increased. Egypt and the Saudis are nervous in part because they don't want bin Laden to be made into a martyr, and drive more young people into Islamic jihad."

More young Arabs, Mr. Katzman said, sympathize with Mr. bin Laden's desire "to force the infidels out of the Muslim world," and Israel and the United States are the main interlopers, at least since the Afghans evicted the Soviet Union.

Robert Kagan of the Carnegie Endowment applauded the missile strikes. "It is a departure for this administration, and it points up their manifest failure to rally allies behind the American use of force, especially when it comes to the Security Council," he said.

"Now, if you wound bin Laden, you've got to kill him," Mr. Kagan added. "But that's a real campaign, and it may entail more serious foreign policy challenges than bombing two primitive nonstates like Afghanistan and Sudan."

U.S. Calls Missile Attacks A Success and Says That More Strikes Are Possible

By Brian Knowlton
International Herald Tribune

WASHINGTON — All six of the suspected terrorist camps in Afghanistan targeted by American cruise missiles suffered severe damage, and more strikes at terrorist targets are possible, U.S. officials said Sunday.

That assessment, the most detailed yet offered of the impact of the surprise attacks Thursday, came a day after President Bill Clinton announced steps to freeze some financial assets of the Islamic extremist Osama bin Laden.

U.S. officials blame terrorists loyal to Mr. bin Laden for the recent bombings of U.S. embassies in East Africa that killed more than 260 people, and say he is waging a vast campaign of violence against the United States.

Meanwhile, amid conspicuous security steps taken in Washington — heavy concrete barricades were set in place around the Washington Monument, for example — officials said there had been no specific threat of an attack on U.S. territory.

"We do not know where he'll attack," General Hugh Shelton, chairman of the Joint Chiefs of Staff, said of Mr. bin Laden.

An executive order signed by Mr. Clinton on Thursday freezes any U.S.-based assets owned by Mr. bin Laden, two of his top aides, and their Islamic Army organization.

The order further bars U.S. citizens or

companies from doing business with them.

While acknowledging that the order would have only a glancing impact on Mr. bin Laden, whose fortune of about \$300 million is mostly held abroad, administration officials said the freeze was an important step to strike at Mr. bin Laden's financial resources. Washington hopes foreign governments will cooperate.

Meanwhile, U.S. officials said that the latest information available showed the strikes in Afghanistan, and a suspected chemical-weapons factory in Sudan, to be a clear success.

The six camps in Afghanistan, said Samuel Berger, the national security adviser, all suffered "severe damage." All, he said, "were rendered ineffective."

Mr. bin Laden's whereabouts, however, remained unclear, he said, and the United States has no reliable information on casualties.

Defense Secretary William Cohen said that it was unclear how many of Mr. bin Laden's lieutenants were among the casualties Thursday, which sources in Afghanistan have estimated at about 50 killed. But Mr. Cohen said that intelligence data clearly showed what was thought to be plans for a significant gathering of the Saudi extremist's followers there.

"We believe the information was accurate that there was to be such a gathering," Mr. Cohen said on NBC. "We saw an increased level of activity each day leading up to Thursday."

U.S. officials have said Mr. bin Laden himself was not targeted. But Mr. Cohen asked if he would "weep" if he learned the Saudi exile had been killed, replied, "No."

"If, in fact, he is in charge of this terror network, as we believe he is; and if he has declared war against the United States, which he has; and if he is part of the command and control of that terror network, then if he is in the line of fire as such, that's his problem," Mr. Cohen said.

He and Secretary of State Madeleine Albright suggested that a \$2 million reward offered earlier for information leading to those responsible for the bombings of the U.S. embassies in Kenya and Tanzania could go to anyone capturing Mr. bin Laden.

Mr. Cohen denied a report that the government in Islamabad had been alerted to the missile strikes against the camps in Afghanistan so the Pakistanis would not believe they were being attacked by India.

"There was no prior notification" to any government, he replied.

In Washington, initial criticism of the U.S. attacks by some Republicans who suggested Mr. Clinton ordered the strikes to distract attention from the Monica Lewinsky matter died away Sunday, apparently as key senators received briefings on the military intelligence that led to the attacks.

Senator Dan Coats of Indiana said Sunday that there was "credible evidence" to support the attacks.

Mr. Berger and other top officials insisted that any suggestions that Mr. Clinton had a domestic political motive for ordering the attacks "couldn't be further from the truth."

"There is an increased terrorist threat against the United States," Mr. Berger said, "and we can't let anything distract us from dealing with that."

Polls show strong public support for the strikes.

■ Targeting Gum Arabic Trade

The Washington Post reported earlier:

A senior administration official said that the executive order issued by Mr. Clinton to freeze some of Mr. bin Laden's assets was important because it would give him leverage as he presses other nations, where more of Mr. bin Laden's money and businesses are based, to squeeze him financially. "Until we take this official, formal, public step, it's difficult for us to have a lot of leverage with allies," the official said.

An official said that one aim of intelligence was to learn more about Mr. bin Laden's shadowy financial ties and associations. Some of those trails may lead, albeit indirectly, to businesses that produce some of America's most familiar consumer brands. An ingredient in many soft drinks and candies is gum arabic. Between 70 and 90 percent of the world's gum arabic comes from Sudan and senior administration officials said Saturday that they were concerned that Mr. bin Laden might have links to Sudan's trade in the substance.

"There's a rising level of frustration and disgust here with terrorists justifying their actions by some religious calling," an administration official said.

"We wanted to say to the Muslims, 'This is not about you. We're against Catholic terrorism in Ireland, too.'"



A satellite photo released by the U.S. Department of Defense of the Zhawar Kili training camp in Afghanistan.

Targeted Camps Described as Primitive

By William Claiborne
Washington Post Service

WASHINGTON — Although it was described by Pentagon officials as "a terrorist university" and the "premises" Suni Muslim terrorist training facility in the world, the Zhawar Kili camp in Afghanistan that was targeted by U.S. cruise missiles Thursday could probably be described more accurately as a primitive boot camp in the wilderness, experts in international terrorism said.

While not downplaying the deadliness of the activities carried out at the camp established by Osama bin Laden

— an exiled Saudi who has been accused by the United States of financing terrorist activities — the experts said Saturday that the infrastructure and buildings at Zhawar Kili, about seven miles (11 kilometers) south of Khost in eastern Afghanistan, were so "low-tech" that they could be quickly replaced with minimal effort and cost.

"I could get a construction company from Northern Virginia to rebuild it in no time," said Kenneth Katzman, a former CIA analyst who now is the Congressional Research Service's expert on terrorism. "It's so innocuous, it's more like striking a lot of little kindergarten buildings than, say, an Iraqi command-and-

control building." Many of the activities, such as weapons training, physical fitness and even indoctrination and classroom instruction, would not have needed structures and could easily have been conducted in open areas, leaving the buildings and tents for use as barracks, mess halls and storage facilities.

Mr. Katzman said.

When asked about the ease with which the complex could be replaced, Samuel Berger, the White House national security adviser, said, "It would not be a terribly wise decision for them to make." In any case, he said, activities at the camps had been "significantly disrupted," which he said was the purpose of the attack.

The area around the complex is rocky and mostly barren, with scrub-type vegetation and some scattered stands of trees. But its most striking feature is the low, rugged hills through which steep and winding ravines provided the Afghan rebels with cover from air strikes during the 1979-92 war with Soviet occupying forces, according to visitors to the camp site during the war.

Its inaccessibility and forbidding terrain also provided natural defenses from ground attacks. Its isolation, however, and lack of roads other than rugged logging tracks made it a difficult place to undertake anything but the most primitive construction.

Defense Department and intelligence officials have disclosed few details of what the bin Laden complex looked like before Thursday's strike, and the terrorism experts interviewed stressed that their descriptions were based largely on anecdotal evidence supplied by visitors to terrorist camps in that part of Afghanistan, including those around Khost. But they acknowledged that the visits were not recent, and that the infrastructure could have changed.

TARGETS: American Missile Strikes Are Seen as 'Psychological Dimensions of Power'

Continued from Page 1

leadership are vital targets themselves. But even if Thursday's bombardment killed important lieutenants, there is no available evidence as yet that U.S. forces inflicted what Defense Secretary William Cohen called "sufficient damage to disrupt them for some time."

More plausibly, the principal benefits of the missile strikes reside in what Robert Oakley, a former chief of counterterrorism in the State Department, called "the psychological dimensions of power."

One aspect of that is catharsis at home. Answering the twin embassy bombings in Africa with twin blows in return is a natural boost to domestic morale. That seems the best explanation for the rhetoric. President Bill Clinton borrowed from President Ronald Reagan, vowing "no sanctuary for terrorists."

In truth, Mr. bin Laden has many assets in countries where an air strike would be much more problematic, including Pakistan, Yemen and Saudi Arabia.

An even more important psychological message was sent to capitals abroad, where the administration abandoned for the moment its affinity for broad alliances and consultation in favor of unilateral military strikes that even the closest U.S. allies were informed about the fact.

"There was a general perception going around the world that the United States does nothing but preach and im-

pose sanctions, and runs away whenever the going gets tough," Mr. Oakley said.

"Other governments are less disposed to assist you if you look weak. Terrorists are more disposed to attack if you look weak. Terrorists are less disposed to attack if you look strong."

In the government's varied explanations of its intent, there was some loose interchange of legal and military goals. Mr. Cohen, for example, said the clear message sent by the missile attacks was that "those who attack our people will find no safe place, no refuge from the long arm of justice."

Yet justice, in the sense of law enforcement, was very far from the scenes of Thursday's attacks.

As the missiles flew, FBI forensic teams were still on bands and knees swabbing the flattened embassies with Q-tips in the painstaking effort to find an evidentiary trail.

It was notable Saturday that the government declined to say that it had a runaway under way to bring about Mr. bin Laden's arrest. He is not on the FBI's most-wanted list.

And, unlike other alleged authors of international terror, he has not been made specifically the subject of the Diplomatic Security Bureau's standard \$2 million bounty for information leading to a terrorist's capture or conviction.

"That's the way it should be," said a FBI spokesman, Frank Scafidi. "In a democracy, the rule of law must prevail. That's our role. But there are also national security interests that need to be addressed. That's their role. You shouldn't hold a nation's right to self-defense in abeyance until you gather

enough evidence to prosecute someone beyond a reasonable doubt."

To guide foreign policy and military decisions, a government can use inference and common sense. It can also use classified information that it might be reluctant to disclose in a courtroom.

For those and other reasons, many experts on terrorism have urged the United States to stop looking at the pursuit and punishment of terrorists primarily through the lens of law enforcement.

"It's two different worlds out there," said Ruth Wedgwood, a visiting professor of international law at the Naval War College and a former counterterrorism prosecutor. "For a while now, the emphasis has been criminalizing terrorism. This may show that the old-fashioned approach is coming back into vogue."

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Asked about these matters, the national security adviser, Samuel Berger, would say no more than that U.S. authorities "would certainly like to have an opportunity to talk to Mr. bin Laden."

"This is a dirty, nasty, intense war, and we need to deal with it," said Representative Porter Goss, Republican of Florida, who heads the House Permanent Select Committee on Intelligence. "I find it much more satisfying to say we are going to stop bombs going off than to compile prosecutorial cases that will hold up in court after we have victims."

Legal considerations of another type did come into play in preparing and justifying the attacks.

U.S. law gives the president a largely free hand, particularly since Congress strengthened it in 1996. A law passed after the Oklahoma City bombing directs the president to "use all necessary means, including covert action and military force, to disrupt, dismantle and destroy international infrastructure used by international terrorists."

International law is more troublesome. In Iraq, Somalia and Bosnia-Herzegovina, the United States has relied on legal arguments for the use of military force that many of its allies have found uncomfortable, according to Ian Lesser, a senior analyst at Rand Corp.

This time the Clinton administration cited the less controversial right of self-defense against imminent attack contained in Article 51 of the United Nations Charter.

Senior officials reiterated that they possess concrete evidence of specific threats against Americans from the bin Laden group.

J.P. C. 10/20/98

EDITORIALS/OPINION

Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

Congo's Plea for Help

When Laurent Kabila overthrew the regime of the dictator Mobutu Sese Seko in May 1997, many people hoped that Congo — as Mr. Kabila quickly renamed Zaïre — was in for a fresh start, and many, including at the World Bank, the United Nations and elsewhere, were eager to assist. But Mr. Kabila did nothing to reward the hopes of outsiders or his own people. He had journalists and opposition politicians whipped and jailed, showing quickly that he would emulate the late Mr. Mobutu in style, if not longevity of rule. When the United Nations tried to look into allegations that Mr. Kabila's troops had massacred tens of thousands of refugees during their seven-month military campaign, Mr. Kabila made sure the UN investigators were harassed and intimidated and eventually chased from the country.

So it should come as no surprise now that Mr. Kabila is unexpectedly in trouble, that those who might have been his friends are not rushing to his aid, despite his regime's cries for support for Congo's territorial inviolability. A rebel movement much like the one he led is now moving on the capital, Kinshasa, the only difference being that it has traversed in days territory that took Mr. Kabila months to capture.

But to say that outsiders have little reason to feel sympathy for Mr. Kabila or his regime is not to argue for in-

difference toward Congo's fate. This is a nation wealthy in natural resources where people have suffered for decades due to the depredations of their leaders, and the willingness of outsiders (the United States prominent among them) to indulge those leaders in the interest of geopolitics. Mr. Kabila's 15 months of misrule have offered scant relief, and now threatens to plunge people even further into misery.

With neighboring nations lining up on opposite sides of the latest civil war, the conflict could pull Congo into pieces and widen into a regional affair involving also Angola, Uganda and others. And with Mr. Kabila playing an ethnic card to whip up support for his beleaguered government, the internal conflict also could turn even uglier than it has been.

Not surprisingly, Mr. Kabila has appealed to other African governments for help, and some of them now are reportedly sending military aid.

But the South African president, Nelson Mandela, is conspicuously not among them. "Our attitude is clear," Mr. Mandela said. "We are not going to make the situation worse by sending a military force. We are for peace." Mr. Mandela's plea for negotiation may not carry the day. But it holds out more hope for Congo than any alternative.

— THE WASHINGTON POST.

A Wounded Presidency

The sight of Bill Clinton striding into the White House in his role as commander in chief and the general support for his strike against terrorism remind us of the power inherent in even a wounded presidency. It also reminds us, in the case of this particular presidency, of its missing parts and of what might have been.

The nation's immediate feelings about Mr. Clinton can be judged by the wide gaps between poll questions about his performance and those about his character. But now, if these last days of summer allow a breather for the president and the public, there may be time for deeper ruminations on the issues of trust and privacy in U.S. politics.

The polls indicate that more Americans trust Monica Lewinsky's word than Mr. Clinton's. Yet no one who voted for him had any illusions about his personal history. Indeed, everyone assumed that the public "bimbo eruptions" were just part of a much gainer story. Why then should Mr. Clinton be blamed for a failing that was known in advance and is shared by millions of citizens?

The answer, we suggest, is that the American people expect a measure of self-discipline and dignity from presidents while in office. The Clintons' performance on "60 Minutes" in 1992 certainly encouraged voters to believe that he would carve out a window of discretion for the presidential portion of his life. Even his most tolerant supporters would not have expected reckless behavior in the Oval Office.

The plain fact, then, is that although the standards of trust that Mr. Clinton had to meet were not set particularly high, he managed through persistence to violate them.

Does it follow that by dishonoring himself, Mr. Clinton has harmed trust in the presidency? Presidents Ford, Carter and Reagan, in very different ways, demonstrated that not even the grander failures of Richard Nixon had permanently damaged American respect for the office.

Equally exaggerated are the speculations that the already limited privacy rights of the presidency have been

— THE NEW YORK TIMES.

Other Comment

Safeguarding Freedom

America never cringed at the feet of communists or fascist hooligans, and we cannot now allow radical extremists to force us to forfeit the heritage that our forefathers fought and died to preserve.

We believe in freedom — and that means the freedom to engage in the commerce of our ideas and ideals as well as our material goods and services. Any individual or group that seeks to deprive us of this ability to move about as members of the international community is an enemy of freedom-loving people everywhere, and will be treated as such.

The American people cannot retreat and hide behind concrete bunkers and barriers and expect to be a force for

good in the world — or even be secure in our own homes. Eventually, the shadow of evil will fall across our threshold in the name of some perceived or concocted grievance or inequity.

No government can guarantee the full safety of its citizens at home or abroad. But no government can permit others to attack its citizens with impunity if it hopes to retain the loyalty and confidence of those it is charged to protect. We can remain free only as long as we remain strong and brave. We intend to do precisely that. Those states which sponsor or support acts of terrorism are not beyond the reach of America's military might.

— William S. Cohen, the U.S. secretary of defense, commenting in *The Washington Post*.

Facing the Threat of Super-Empowered Angry Men

By Thomas L. Friedman

WASHINGTON — President Bill Clinton called Osama bin Laden's terrorist group "a network not sponsored by any state, but as dangerous as any we face." Nothing better summarizes the most immediate threat to America today.

It is not from another hostile superpower. There is none — for the moment. It is from super-empowered individuals, super-empowered angry men.

The super-empowered angry men have no specific ideological program or demands. Rather, they are driven by a generalized hatred of the United States, Israel and other supposed enemies of Islam. Ramzi Ahmed Yousef, mastermind of the World Trade Center bombing, was a super-empowered angry man. Mr. bin Laden is another.

Globalization gives them both the added incentive to hate America and the added power to do something about it. That is, globalization is in so many ways Americanization. Globalization wears Mickey Mouse ears, drinks Pepsi and Coke, eats Big Macs, does its computing on an IBM laptop with Windows 98. Many societies around the world cannot get enough of it, but others see it as a fundamental threat.

As the historian Ronald Steel has pointed out, Americans think of them-
selves as having a conservative society. The Russians and Chinese were supposed to be the "revolutionaries." But America today is actually the most revolutionary society in the world, Mr. Steel notes. For the rest of the world, we Americans are wild, crazy revolutionaries, with rings in our noses and paint on our toes, overturning cultures and traditions wherever we go.

"We believe that our institutions must confine all others to the ash heap of history," Mr. Steel says.

"We lead an economic system that

has effectively buried every other form of production and distribution — leaving great wealth and sometimes great ruin in its wake. The cultural messages we transmit through Hollywood and McDonald's go out across the world to capture and also undermine other societies. We are the apostles of globalization, the enemies of tradition and hierarchy."

The American message particularly tells young people around the world that we have a better way than their fathers. This is why the Osama bin Ladens constantly speak of "American arrogance" and how America is

"emasculating" the Muslims. That is why they just want to kill America.

And globalization, through its rapid spread of technologies, also super-empowers them to do just that. It makes it much easier to travel, move money or communicate by satellite phones or the Internet. Mr. Yousef kept track of all his plots on a Toshiba laptop. Mr. bin Laden was running a multinational JOL, Jihad Online.

So what to do? There is much debate on this question, notes the Middle East expert Stephen Cohen. "Some argue that what we need to do is just boycott Iran, condemn Egypt for not treating its Christians right, bomb Iraq, treat Yasser Arafat as no better than Hamas, treat the Saudis the same as the Afghans. In other words, make this a war of civilization and treat the Muslims as the successors to the communists. But that is not how you deal with this problem. It is how you make it worse."

The key to making the problem better is by a three-pronged policy: mercilessly attacking anyone, anywhere, who attacks U.S. citizens or diplomats; embracing those who would be friends by constantly trying to build a moderate political center, particularly in the Muslim-Arab world, and always show-

ing a road map to a better future for those who waver in between.

"For a long time now, the Clinton team has understood how much of a powder keg the Middle East was," Mr. Cohen argues, "but they have been reluctant to make the hard decisions to defuse that powder keg — by confronting Saddam, recreating a moderate political center to combat fundamentalism, laying out a pathway for those in Iran who would like to move out of their isolation and insisting on progress in the Arab-Israeli peace process as a U.S. national interest. Hopefully that is now changing."

Indeed, in the attack Thursday the administration has finally begun to show some resolve. It also deserves credit for reaching out to Iranian moderates, even though they have yet to respond. There are even signs that the Israeli prime minister, Benjamin Netanyahu, may be moving to accept the U.S. proposal for a 13 percent withdrawal from the West Bank.

Getting these pieces in place should put the United States in a stronger position to face down the most menacing super-empowered angry man, the one with a super-demoralized country, Saddam Hussein of Iraq.

The New York Times

Countries That Harbor Terrorists Are Willing Accomplices

By Ronald Steel

LOS ANGELES — Few Americans would have trouble with the principle that the United States has the right to punish militarily any government that uses armed force against this country or its citizens abroad.

No nation with the power to do so would behave differently. But does the United States have the right to bomb sites in countries that are not themselves in open warfare with Americans but rather are hosts of America's enemies? Is it permissible to attack the host along with the guest?

This is the question raised by the missile strikes carried out Thursday against a suspected terrorist training complex in Afghanistan and a terrorist-linked factory that reportedly produced important components for making chemical weapons in Sudan.

The raids were, President Bill Clinton declared, intended to head off further terrorist attacks and to retaliate for the bombing Aug. 7 of American embassies in Kenya and Tanzania, which killed 12 Americans and more than 250 Africans. Both the car-

gets, it was explained, housed operations controlled by Osama bin Laden, an exiled Saudi millionaire, who finances an extensive network dedicated to a "holy war" against both U.S. interests and U.S. citizens.

Mr. bin Laden and other terrorists like him have no compunctions about killing civilians, American or not, in pursuit of their objectives.

But the argument that the United States should not have any such standards either is troubling.

Should we not abide by a higher standard of law, or morality, than do terrorists? Do we not undermine our own values by punishing the bystanders along with the criminals?

In efforts to deal with lawbreakers there is the danger that innocent civilians may be harmed. For this reason it is particularly important to distinguish between cases where terrorists operate without the knowledge, or even against the wishes, of a government, and those cases where terrorists receive approval, support and

sustenance from a government.

To be sure, there is a distinction between state terrorism and group terrorism. Groups of terrorists operate even within the United States, although obviously not with government approval.

Yet there are states that, even while not carrying out terrorism themselves, condone it, and even offer refuge to those who conduct it.

Just as an individual who harbors a criminal exposes himself to danger from those seeking to capture or punish that criminal, so does a state that willingly harbors terrorists.

Afghanistan and Sudan are such states. Their governments are controlled by Islamic fundamentalists intent on expelling American power and influence from the Muslim world. They cannot offer their hospitality and resources to those at war with the United States and then claim that they are merely innocent bystanders when Americans try to protect themselves against those who have declared war against them.

Most governments do not support terrorists because they undermine a government's authority and its monopoly of power. But some find such groups useful to attain their own objectives while avoiding responsibility for the terrorists' actions.

The U.S. government cannot allow countries that offer hospitality to terrorists to be immune to the consequences of their actions.

It is extremely difficult, perhaps impossible, for the United States to punish these terrorists. The authorities in Kabul and Kharoum, however, can find them quite easily. With sufficient incentive, either by the carrot or the stick, they can be persuaded to withdraw their support and force these foreign terrorists to leave their territories.

Terrorist groups of the scale of Mr. bin Laden's cannot operate without the cooperation of their sympathetic hosts. This is not to say that we should, in effect, declare war on governments such as those in Afghanistan and Sudan that help terrorists, although they

clearly have to be treated as hostile. But we can make the cost of their sympathy and support very high.

Mr. bin Laden and his followers want to punish the United States because as the world's most powerful state it promotes values and upholds governments they detest. They use terrorism because it is the strongest weapon they have. They are ruthless in their choice of targets and in their willingness to sacrifice civilians in pursuit of their objectives.

Governments that harbor and protect them, like those of Afghanistan and Sudan, are not merely hosts but willing accomplices. They cannot claim innocence for actions they help make possible. Do they find our bombing of their murderous guests intolerable? Then let them expel Mr. bin Laden and his followers.

Ronald Steel, professor of international relations at the University of Southern California, is the author of "Temptations of a Superpower." He contributed this comment to The New York Times.

Blame Pakistan for the Continuing Afghan Conflict

By Amin Saikal

CANBERRA — Although temporarily obscured by the American cruise missile attack on suspected terrorist bases in its territory, the battle for the control of Afghanistan is far from over. The Taliban's recent military push into northern Afghanistan may have given its main backer, Pakistan, a feeling of victory. But it is likely to be short-lived.

Afghanistan is entering a phase similar to that when the Soviet Union invaded the country in December 1979 and the Afghans took up arms to mount a successful Islamic resistance. This phase may last as long as the last one, but the outcome is certain to be disastrous for Pakistan and its Arab financial supporters.

The Soviet invasion did not

take place in a political or strategic vacuum. Moscow had built up firm mechanisms of control in Afghanistan since the mid-1950s. It was able rapidly to set up a communist government in Kabul and to occupy the major cities and lines of communication. Moscow's imposition of initial control was so swift that Western analysts thought that the Afghan Islamic resistance forces — the mujahidin — could last no more than six months against Soviet military might.

But Moscow underestimated a number of other critical factors, including Afghanistan's ethnic and tribal diversity, the Afghans' tenacity as guerrilla fighters, Afghanistan's porous borders to the noncommunist world through Pakistan and Iran, and widespread international opposition to Soviet aggression. That opposition prompted the Soviet Union's main adversary, the United States, to give military support to the mujahidin.

When the Soviet Union was finally forced to end backing for its protégé government in Kabul, the mujahidin led by the resistance commander Ahmed Shah Masoud were able to take power in April 1992 and establish Afghanistan's first Islamic government.

There are some parallels between the circumstances facing the Afghan resistance then and now. The current leadership and

followers of the ultra-orthodox Taliban militia, consisting of Afghan and Pakistani ethnic Pashtuns, have taken the place of the pro-Soviet communists. Pakistan and its supporters have replaced the Soviet Union and its communist allies. The dominance of the Pakistan-backed Taliban has replaced that of the Soviet-backed People's Democratic Party of Afghanistan.

This development has deeply antagonized Afghanistan's other neighbors, especially Iran, Uzbekistan, Tajikistan and Russia. They regard Afghanistan as part of their vital zone of interests and security, and have strongly condemned Pakistan's intervention in support of the extremist Taliban.

However, two issues distinguish the current situation from that of 1979. Present developments have been shaped by the ethnic divide between Pashtuns, who dominate the southeastern sector of Afghanistan, and non-Pashtuns, who mostly populate northern and western areas as well as Kabul. During the Soviet occupation, the conflict was waged more on the basis of an ideological divide between Islam and communism.

Another difference is that Iran supported the mujahidin in the conflict with the Soviet Union and its surrogates. Today, Tehran is on the side of the opposition to the Taliban.

The writer is director of the Center for Middle Eastern and Central Asian Studies at the Australian National University in Canberra. He contributed this comment to the International Herald Tribune.

Passing the Buck to Speculators

By Floyd Norris

Financial markets are again under stress in Asia and Russia, and local authorities know whom to blame. It's the speculators. "Speculators have been deploying a whole host of impulsive measures," said Donald Tsang, Hong Kong's financial secretary, as he disclosed that the Hong Kong government had bought millions of dollars in stock. Among the measures was the "spreading of vicious rumors" that Hong Kong's currency might be devalued.

So far, it has worked. But a final verdict is not in. In the summer of 1997, Thailand routed hedge funds that were borrowing the Thai baht and selling it, betting it would fall. Big purchases by the Thai government temporarily raised the value of the baht.

But then a funny thing happened. Ordinary Thai citizens and companies began to wonder whether a currency that needed such extraordinary intervention to protect its value was fundamentally sound. Companies that owed dollars realized they would be in trouble if the baht were devalued, so they bought dollars. A few weeks later the baht plunged, beginning the Asian crisis.

Similarly, what the Russian central bank saw as speculation was in fact the reasonable response of Russian banks that were being pressed to repay loans that had taken out in dollars, and that were seeking to accumulate dollars as pro-

tectoo in case the ruble was devalued. When it became clear the government was afraid of such protection, devaluation became inevitable.

In Hong Kong now, investors may be asking themselves whether share prices really are reasonable if they can be maintained only by government buying. Perhaps many will decide it would be safer to reduce their positions. If so, the government will have accomplished little, other than losing a lot of public money.

All this is not to deny that speculators had a lot to do with the current problems. But when the real speculation was taking place, governments were looking on with glee. That was in 1996, when foreigners were pouring in money. They invested in Indonesian companies thinking that the fact the companies were held by President Suharto's family was enough to assure profits. They poured money into Russia thinking it was the next emerging market, and lent money to Korean banks that were financing shaky conglomerates. Now those who foolishly risked money in years past want to salvage what they can. Companies that owe dollars fear being bankrupted if the local currencies collapse. Both groups want to cut their losses. Is that speculation? Or prudence?

The New York Times

hours, but the eastbound plane was forced down through engine trouble. This feat gives a straight mail service from coast to coast in less than two days. The success of the venture means that the Post Office Department will equip a complete system of planes for this service in the near future.

1948: New Gold Yuan

SHANGHAI — China launched a new economic era in which it will once more be possible to carry money in wallets instead of suitcases. Long lines formed at China's banks as they reopened. Order is

HEALTH/SCIENCE

TOMORROW'S
SCIENCE

Over thousands of miles, Alaska's forests are drowning as the permafrost melts and the ground sinks under them.

Signs Are Clear: Alaska Is Melting

By William K. Stevens
New York Times Service

VALDEZ, Alaska — Mighty and majestic, the river of ice snakes down to Prince William Sound between classically craggy mountains wreathed in clouds. Through the mist-shrouded windows of a light plane, Columbia Glacier's huge mass and aquamarine-flecked desolation have an almost visceral impact.

But like much of the rest of Alaska, the glacier is not what it used to be. Not so long ago, cruise ships nosed right up to the glacier's 200-foot-high (60-meter-high) front wall to watch icebergs break off and crash into the sound. That is impossible today. The front has retreated by more than eight miles (12 kilometers) in the last 16 years, and ships are separated from it by a vast expanse of melting iceberg, panned in by a rocky shoal that stretches from where the shrinking glacier's front wall used to be to where it is now.

Alaska is thawing, and much of northern Russia and Canada with it, and many scientists say that the warming of these cold regions is one of the most telling signals that the planet's climate is changing.

The signs are everywhere.

Scientists employing laser instruments have confirmed that many of Alaska's hundreds of glaciers are retreating. The warmer atmosphere has produced more snow to feed the glaciers, but longer, warmer summers have in many cases melted them even faster than the heavier snows can build them up. At this time of year, countless streams run full and chalky with tiny rock particles pulverized to dust by the glaciers. The region's permafrost — ground that is perpetually frozen — is thawing in Alaska's interior, and pockets of underground ice trapped in the frost are melting with it.

Over thousands of miles, big patches of forest are drowning and turning gray as the ground sinks under them and swamp water floods them. Here and there, deep holes have opened in the earth. Roadside utility poles, destabilized by the melting, tilt at crazy angles. So do trees, creating a phenomenon known as drunken forest.

The intermittent character of the land's subsidence — the permafrost comes in patches in most of the state, and not every patch has ice pockets — wreaks havoc on paved roads. Between here and Fairbanks, 360 miles away,

many stretches of highway are like ocean swells overlaid with irregular breaks and cracks.

Along the Fairbanks-to-Valdez stretch, entire mountainsides of spruce forest — prime timberland that need to be part of the magnificent taiga, the vast boreal forest of conifers that rings the world's northern latitudes — are dead and gray. The trees have been weakened by several climate-related stresses, then killed by spruce bark beetles whose population, scientists say, has exploded in the higher temperatures.

"It has moved into high gear in the last six or seven years," said Glenn Juday, a forest ecologist at the University of Alaska. "It's just rolling through the forest."

While the average surface temperature of the globe has risen over the last century by one degree Fahrenheit or a little more, scientists at the University of Alaska and elsewhere say that it has increased over the last 30 years by as much as 5 degrees in Alaska, Siberia and northwestern Canada. The warming has been most pronounced in winter.

Scientists are not certain how much of the regional warming relates to overall warming of the globe, if any. Some of it, they say, is clearly the result of a change in prevailing patterns of atmospheric circulation, beginning in the mid-1970s, which generally redirected the flow of warm air from the Pacific toward Alaska. But researchers like Gunter Weller, of the University of Alaska in Fairbanks, an expert on climate change, point out that big areas of northern Russia are not affected by the circulation change but have warmed as much as Alaska.

Mainstream scientists predict that globally, the average surface temperature will rise by 2 to 6 degrees Fahrenheit over the next century, with a best estimate of about 3.5 degrees, if emissions of heat-trapping industrial waste gases like carbon dioxide are not reduced.

The scientists say that Alaska and other far northern continental regions should warm about twice as much as the average for the globe. Two main reasons lie behind this: As ice and snow melt, less heat is reflected off the land, amplifying the warming. And at these latitudes, the atmosphere is more stable in winter and spring. This confines more heat to its lower layers.

Whatever the combination of causes of Alaska's warming, the catalogue of

effects is substantial. Thirty years ago, the temperature at Fairbanks reached 80 degrees for only about a week in the summer. Now it hits or exceeds that mark for a total of about three weeks. On average, Mr. Juday says, a summer day is about 11 percent warmer than it was three decades ago.

When Mr. Weller moved to Fairbanks 30 years ago, winter temperatures frequently dipped well below minus 40. In the last two decades, the number of sub-40-degree days has dropped substantially compared with the three preceding decades.

In the Bering Sea, scientists have found the amount of sea ice has decreased by about 5 percent over the last 30 years. In the interior, higher temperatures have been accompanied by more snow in the winter, but also less rain in the summer.

ON THE OTHER hand, according to the 1997 study, longer summers have allowed the state's vibrant tourist industry to expand. Other long-range benefits are expected. Shipping in the region should become easier, and an open-water sea route between Alaska and Europe could open up. The contraction of sea ice could allow more offshore oil drilling. Warmer water could help some fisheries.

But at the moment, the warming is perhaps most evident in its effects on forests, permafrost and glaciers.

On a clear summer day a few miles southwest of Fairbanks, Mr. Juday knelt on the floor of the Bonanza Creek Experimental Forest, a long-term ecological research reservation. A vintage old-growth forest of white spruce not far from the Arctic Circle, it is in the middle of the taiga. The spruces tower overhead, straight and tall, rising to 100 feet.

"We're talking about the cream of the crop — the very best forests we have in interior Alaska," Mr. Juday said. As he spoke, he set up a handheld global positioning instrument and contacted overhead satellites to fix the spot's coordinates. The purpose was to aid airborne scientists who later would survey the forest for climate-related damage.

In addition to an infestation of insects, Mr. Juday said, the warming climate, coupled with less summer precipitation, has stunted trees' growth.

"These trees are in real trouble," Mr. Juday said. "We've got a sick forest here."

LANGUAGE

A Book Bag for Summer Vacation

By William Safire

WAshington — I'm fixin' to go on vacation and want you to have a book bag of word books.

"Fixin'" is a Southerner covered in "Jesse's Word of the Day From Abacinate to Yonic," lively scholarship by Jesse Sheidlower (Random House paperback, \$12.95). As we all know, *abacinate* means "to blind cruelly," and *yonic* is the female equivalent of *phallic* (a doughnut). Sheidlower notes, however, that the primary meaning of *fix* is "to repair"; where did the sense of "to prepare to" come from?

That sense dates from the early 18th century and is an extension of the sense of "put in order; establish, settle definitely," and I presume it is the basis of the political *fix*. The extension of that meaning to "get ready" has been expressed since the 1930s in the Gulf and South Atlantic states as *fixin'*. It is always followed by an infinitive, is only used with actions in the near future and, as Sheidlower points out, remains one of the best-known indicators of Southern speech, along with such words as *reckon* and *y'all*.

The book is drawn from his Internet page (www.randomhouse.com/jesse/), which answers *surfer's* queries and is a demonstration of the Web as a progenitor of books. He raises an interesting etymological question with his entry on the *skin of my teeth*.

That's from Chapter 19, Verse 20 of the Book of Job, as the bearded innocent man walls: "My bone cleaved to my skin and to my flesh, and I am to my skin and to my flesh, and I am escaped with the *skin of my teeth*." That's the King James translation of 1611, taken from the Geneva Bible

translation of 1560, "I have escaped with the *skin of my teeth*." Sheidlower notes that "the point is that Job is so sick that there's nothing left to his body."

That's true; I once wrote a book about Job, and discovered that recent translators find both *skin* and *teeth* but no *skin of my teeth* in the original Hebrew, written three to six centuries before the birth of Christ.

Marvin Pope's translation in the 1965 Anchor Bible renders that verse as: "My flesh rots on my bones, my teeth drop from my gums," and the translator notes that "The KJ's 'I am escaped with the *skin of my teeth*' has become proverbial for a narrow escape, but the context offers no support for this idea." It's a mistake in translation that has become a familiar part of the language.

The Professor and the Madman," by Simon Winchester (HarperCollins \$20), is the linguistic detective story of the decade. William Chester Minor, an American who studied medicine at Yale, served in the Union Army as assistant surgeon during the Civil War and contributed more than 10,000 citations to the Oxford English Dictionary. When the lexicographer James Murray and a committee wanted to honor this stalwart reader for his work, it turned out he was a murderer incarcerated in the Broadmoor Asylum for the Criminally Insane outside London.

Debtor but scholarly, the man in the asylum had stumbled across Murray's appeal for volunteers to help survey all that had been written in English. He wrote in, giving the accurate response:

"I thought he was either a practicing medical man of literary tastes with a great deal of leisure," Murray said years later, "or perhaps a retired medical man

or surgeon who had no other work."

Winchester does a superb job of historical research that should entice readers even more interested in deeds than words. Language mavens owe a lot to a madman.

Ever meet a cranky yachtsman? I was thumbing through *The Illustrated Dictionary of Boating Terms* (Norton, \$23.95) and came across *cranky*. The preceding word, *crank*, is defined as "to turn. To crank a winch is to turn the winch handle." *Cranky* is then defined as "difficult to steer, unstable." Is that the origin of what some call me (along with *cursing*, *canankerous* and other endearments)?

No, J.E. Lighter's *Historical Dictionary of American Slang* (three volumes, \$50 a crack) has it. Gertrude Lefferts Vanderbilt wrote in her 1880 social history of the Flushing section of Brooklyn: "A child who was querulous was said to be 'krankie,' from [Dutch] *krank*, weak, sick."

Finally, there's a new edition of Wilson Follett's "Modern American Usage" (Hill & Wang, \$25 — nice round number, none of that \$24.95 baloney), revised by Erik Wensberg.

Despite solid guidance from the great usagist Jacques Barzun, this guide never matched the popularity of Fowler's "Modern English Usage." It's tough going up against that bible, but I like MAU's scholarly sassiness in its entry on *grammatical error*: "A few stuffed shirts will always contend that this expression is a contradiction in terms and itself in error. . . . To condemn phrases that are perfectly clear and have long been accepted is pedantry."

New York Times Service

from *skin of my teeth*

Angry in

the 1990s

by William Safire

Mystery of the Killer Bears

What Made Montana Grizzlies Attack Hiker?

By Mark Derr
New York Times Service

NEW YORK — Three months ago, Craig Dahl, 26, a park concessions worker, took his last hike, setting out on a steep, winding trail above Two Medicine Valley in the southeast corner of Glacier National Park in Montana. He never returned.

Three days later, on May 20, rangers discovered the grisly scene: Mr. Dahl's partly consumed body in a clump of vegetation down slope from a trail. From the physical evidence, searchers surmised that a female grizzly bear and two cubs had preyed upon Mr. Dahl. Experts then, working with the tools of forensic science, identified the culpris, tracked them down and had them destroyed.

Research suggested that the female was a grizzly, nicknamed Chocolate Legs for her distinctive coloring, who had been identified as a problem bear in 1983, captured and moved to the park's back country. She lived the normal life of a bear in the wild until 1997, when she and her cubs again became bold around people.

What triggered that change? Why, a year later, did the bears stalk, kill and eat a human — predatory behavior extremely rare among grizzlies?

On average, bears kill two people a year in North America, with the number equally split between grizzlies and the far more numerous black bears. In Glacier and Yellowstone, the U.S. national parks with the most grizzly bears, the frequency of fatal attacks is considerably less. Between 1910 and this year, bears have killed 10 people, including Mr. Dahl, in Glacier; in Yellowstone, the total is five since 1839.

Nearly all attacks on humans result from a bear's defense of its cubs, its food or itself, said Christopher Servheen, coordinator of the Fish and Wildlife Service's grizzly bear recovery program.

"Grizzlies are generally nonpredatory toward people," he said. Still weighing up to 1,000 pounds (450 kilograms), grizzlies are formidable predators, and their attacks are often sensationalized to make them seem more ferocious than they are. Because wildlife officials hope to allay that fear and because the 1,000 or so grizzlies left in the lower 48 states — from a present population estimated at 50,000 — are listed as "threatened" under the Endangered Species Act, they thoroughly investigate every bear attack.

Within days of discovering the remains of Mr. Dahl, scientists isolated human DNA in bear droppings taken from the scene. They also matched bear DNA

from hair samples gathered at the site with that of hair collected a year earlier from the female grizzly and her male cub by Daniel Carney, a wildlife biologist for the Blackfeet Tribe, when he captured them, put tags in their ears, clasped an electronic collar around the mother's neck and turned them both loose.

Mr. Carney began collecting hair samples from all bears he trapped around 1995 when he realized that DNA would become an important identification tool. When the experts matched the hair to the aggressive bear Mr. Carney had tagged earlier, park and wildlife officials decided to destroy all three animals.

A few bear experts argued that the attack might have resulted from natural defensive aggression or that the bears might have done no more than scavenge the corpse.

"Usually when they do someone in, they don't feed on him," said Charles Jonkel, a former professor at the University of Montana and a noted bear authority. Given the element of doubt, he urged that the young female be moved and put through behavioral conditioning to restore her wariness of people. But the officials decided that they could not take that chance. Circumstantial or not, the evidence convinced them that the bears had chased Mr. Dahl for several hundred yards downhill before killing him.

"The entire family group participated in this activity," Mr. Servheen said. "Offspring learn from their mother and since they were involved in pursuing and eating a human, those offspring were likely to do it again."

Bear biologists were left to ponder why these apparently healthy animals crossed the line to become man killers. While searching for an explanation, Steve Gniadek, the park's chief wildlife biologist, recently compiled a dossier on the mother, who was wearing ear tag 235, that deepened the mystery.

After examining thin cross-sections of a tooth stained to reveal the dark rings that form every winter in the bony covering of the tooth's root, scientists at Matsqui Laboratory in Milltown, Montana, placed the age of the female grizzly at 16 years, solidly middle-aged.

Based on that information and the holes in her ears indicating a prior capture, Mr. Gniadek concluded that in all likelihood she was Chocolate Legs, who had gotten into trouble as an 18-month-old cub. At that age she had already lost her wariness of people and was causing "bear jams," as tourists stopped their cars to watch and photograph her in the park's northwest corner.

Captured in July 1983, fitted with an ear tag (number 251) and radio collar,

Chocolate Legs was flown 20 miles (32 kilometers) southwest across the Continental Divide to the remote headwaters of Pinchot Creek.

For the next 11 years, Chocolate Legs apparently unobtrusively occupied a range that included Two Medicine campground, although Mr. Gniadek believes that she may have been involved in an incident in 1995 in which a pair of hikers were frightened and their packs raided for food. What is certain is that by 1997, Chocolate Legs and her cubs were so habituated that they had become pushy around people.

In May 1997, the three bears boldly walked through Red Eagle campground on the Blackfeet Reservation. It was there that Mr. Carney captured Chocolate Legs and her son, applied the ear tags and the collar and collected the hair samples. Then, he released them to a barrage of loudly exploding "cracker shells" to scare them away. Shortly afterward, Carrie Hinn of the Wind River Bear Institute in Heber City, Utah, and Tim Manley, a bear management specialist with the Montana Department of Fish, Game and Parks used trained dogs, loud noises and rubber bullets to drive the bear family from the Two Medicine campground.

THROUGH June 1997, the bears continued to show no fear of people.

In July, they displayed "strange and erratic behavior," around searchers looking for a missing hiker, Matthew Truskowski, 25, of Michigan. In September, the three bears again charged at hikers, backing away just feet from them.

After Mr. Dahl's death, some officials began to view the previous summer's behavior as more ominous than it had first appeared. Speculating that Chocolate Legs might have killed Mr. Truskowski, the authorities launched a new search, without success. Mr. Servheen suspects that something happened in the summer of 1997 to cause Chocolate Legs to view "people as food."

Other experts suggest that the answer lies buried in the particular events of the bear's life and personality. But common threads are habituation and a regular diet of human and pet foods.

"If you look at bears that have killed and eaten people, except those provoked by photographers, you see that they have a history of habituation and food conditioning," said Stephen Herrero, professor emeritus of environmental science at the University of Calgary and a leading authority on bear attacks. But, he cautioned, "Bears are complex, intelligent and individualistic, and so we can't predict their behavior as if they were stimulus-response machines."

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U.S. MUTUAL FUNDS

**Figures as of close
of Trading Friday, August 21**

CAPITAL MARKETS ON MONDAY

Russia's 'Ponzi Scheme' Collapses, As Market Rates Anticipated

By Carl Gewirtz
International Herald Tribune

PARIS — In the world of Ponzi schemes, Russia's multibillion-dollar borrowings from the International Monetary Fund to repay maturing debt owed to private investors will surely rank as the most audacious ever undertaken. But the very nature of borrowing from Peter to repay Paul meant that it could not go on for long.

It fell apart last week — despite the widely held view that Russia, with its huge nuclear arsenal, was too dangerous to be allowed to fail. On Monday, the Russians are expected to announce details on how the temporarily frozen domestic ruble debt will be rescheduled and serviced.

Significantly, Russia's foreign-currency sovereign debt has so far been excluded from rescheduling. Neverthe-

less, the collapse in confidence in Russia has also caused prices on its dollar debt to fall to default-like levels. But Russia's foreign-currency debt service payments are estimated to amount to an easily manageable \$1.4 billion over the next three quarters.

At the end of last week, its three-year dollar debt — successfully marketed in November 1996 to yield investors 345 basis points, or 3.45 percentage points, over U.S. government paper — traded at a spread of 3,661 basis points. The dollar bonds maturing in nine years, initially offered at a spread of 375 basis points, now trade at a spread of 2,338 basis points.

The higher premium on the shortest-dated paper, dealers said, reflects expectations that over the longer term Russia's problems look less serious than those in the immediate future. "Real" interest rates in the West historically run at 3 to 4 percent.

Nearly three-quarters of the domestic

ruble debt which is to be rescheduled was to mature prior to December 1999. Since the start of this year Russia had been obliged to pay annual rates of interest of more than 30 percent to find buyers for new debt. Since late May, the rate of interest Russia had to pay to attract investors exceeded 60 percent. And in the weekly auction that preceded the financial crisis, the government paid an annual rate of interest of 147.93 percent to raise new money.

With inflation in Russia running at an annual rate of around 7 percent, the "real" return — what investors are left with net of inflation — of nearly 141 percent "has become completely obnoxious," said Charles Wyplosz, an economic consultant to the government of International Studies in Geneva. "Real" interest rates in the West historically run at 3 to 4 percent.

"The only explanation for such high real interest rates," Mr. Wyplosz said, "is that markets were factoring in the likelihood of a default. Now that the default comes, no one should be surprised. There is no other explanation for an interest rate exceeding 60 percent other than there will be a default or a devaluation, or both. Effectively, the market had it right. They should be no surprise; there is no expropriation."

Those who now shout that the credibility of the government is shattered can't really mean it. If they were lending money at such rates there was no credibility anyway."

To put some perspective on the numbers, Riccardo Barbieri at Morgan Stanley Dean Witter estimated that international investors hold some \$11 billion of domestic ruble debt, another \$48.5 billion in foreign-currency debt, and some \$21 billion through syndicated loans.

"If all these holdings were to lose, say, 50 percent of their value, the global investment and banking community would lose some \$40 billion," he said.

Among the new measures announced by the Russians, the ruble will now be free to trade in a 50 percent range between 6 and 9.5 rubles to the dollar.

For Mr. Wyplosz, the Russians will remain obliged to pay "obscenely high"

real rates of interest to borrow from private markets until the government solves its tax collection problems — a solution he expects can only come once Boris Yeltsin has been replaced as president.

"The Russians are hostage to the market," Mr. Wyplosz said. "It's the price

they have to pay because they can't solve their tax collection problem."

As for the very high rates investors

have been paid, a London-based banker

who asked that neither he nor his firm be identified said it this way: "The high risk premium paid by Russia is not an 'insurance' for investors against default.

But because investors have received high risk premia, they should certainly recognize the high probability of a default

and should expect to have someone come along to bail them out."

Meanwhile, analysts are urging governments to rethink how the international system operates. John Lipsky at Chase

Manhattan Bank, who earlier in his career had worked at the International Monetary Fund, and John Llewellyn at Lehman Brothers, who formerly was at the Organization for Economic Cooperation and Development, are urging governments to seriously begin work to overhaul the international monetary system and adapt it to the new environment where private capital flows have become all-important.

"There is a crying need for a second Bretton Woods-type exercise, to try to devise new rules aimed at a better functioning of international capital flows and exchange rates," Mr. Llewellyn said, referring to the system of fixed-exchanged rates that existed until the 1970s.

In Mr. Lipsky's view, "The basic approach of our crisis management system is almost certainly ill-conceived. The notion that the IMF should act as a kind of financial rapid reaction force backed up by a massive financing facility is inevitably bound to fail. There simply is not enough public money available to take the place of private investors."

Most Active International Bonds

The 250 most active international bonds traded through the Euroclear system for the week ending Aug. 21. Prices supplied by Telekurs.

Rnk Name Cpa Maturity Price Cr1 Yd

Austrian Schilling

143 Austria .5 10/15/98 102,9000 4,8600

201 Austria .43 07/15/93 100,6000 4,2700

204 Austria .44 07/15/27 115,0000 5,4300

Belgian Franc

176 Belgium zero 12/11/98 98,9517 3,4300

British Pound

105 Fannie Mae 6% 06/07/02 101,1250 6,8000

244 Amritting 4 zero 12/07/22 21,8750 6,4500

Danish Krone

12 Denmark 7 11/15/07 114,6300 6,0000

20 Denmark 8 05/15/02 115,5623 6,5200

24 Denmark 9 11/15/00 109,9900 8,1800

27 Denmark 8 03/15/04 121,2100 8,6100

44 Denmark 7 11/15/02 105,2000 5,4400

45 Denmark 6 12/10/99 105,2000 5,4400

62 Nykredit 6 10/01/29 99,1800 6,6500

68 Denmark 9 11/15/98 101,7600 5,3700

78 Denmark 7 11/15/02 104,2300 5,4500

82 Denmark 4 11/15/02 104,2300 5,4500

87 Realkredit 4 04/17/91 98,6450 6,9700

91 Nykredit 7 10/01/29 101,7600 5,3700

95 Nykredit 8 05/01/02 101,7600 5,3700

145 Realkredit 7 10/01/29 101,7600 5,3700

181 Denmark Thills zero 10/01/98 99,1810 5,3000

209 Unikredit 6 10/01/02 97,9000 6,1300

214 Denmark 4 02/15/00 100,0000 4,0000

Deutsche Mark

1 Germany 5% 01/04/98 102,7220 5,6000

3 Germany 6 07/04/97 111,4700 5,7200

4 Germany 4 07/04/95 111,2088 5,6200

23 Germany 7 11/15/02 101,4271 5,8300

23 Germany 45 05/01/98 101,4271 4,4400

23 Germany 46 05/01/02 101,7200 4,4400

23 Germany 47 05/01/02 101,7200 4,4400

23 Germany 48 05/01/02 101,7200 4,4400

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India Looks To Signs of Recovery After 'Gloom'

Reuters
JAIPUR, India — India's economic outlook is not gloomy and positive signals are emerging after a slowdown, according to Finance Minister Yashwant Sinha.

He cited a rise in revenues from taxes and added that industrial growth in the key capital goods sector had improved. Credit disbursements to industry were also up, he said.

"It is not all gloom and doom," Mr. Sinha said Saturday. "There are certain positive signals and we should look at those positive signals."

The government expects gross domestic product to grow 6.5 to 7 percent in the year ending in March 1999, compared with 5.1 percent in the previous year. It was 7.5 percent in the year ended in March 1997.

"While the East Asian crisis has refused to go away, and in fact has even deepened in a certain way, we are able to stand up and this is a challenge and an opportunity for India," he said.

He said the "tremendous" success of the Resurgent India Bonds offered this month to expatriate Indians by the State Bank of India reflected investor confidence in India.

By Aug. 17, the bonds had collected \$2.2 billion. The issue is to close Monday.

In his 1998-99 budget, Mr. Sinha raised spending on housing and infrastructure to boost growth.

He said he backed moves last week by the Reserve Bank of India to support the rupee, as the dollar surged to a record 43.7 rupees on Thursday. The bank's steps pushed the dollar back down to 42.56 rupees on Friday.

"My own feeling is the steps taken to cool the market have generally been welcomed," Mr. Sinha said, addressing fears that the action on banks might squeeze credit for industry. "Therefore, it will not have a great impact on the interest rate."

He said foreign investors were upbeat on India.

"Their commitment to India is total, they are not fly-by-night operators and all of them have promised to continue their involvement in India," he said.

Critics had raised questions over the investment climate after India conducted a series of nuclear tests in May, triggering economic sanctions from the United States and Japan.

Mr. Sinha said foreign investors "are far more positive about India than some of our own people."

"Therefore," he added, "it gives me hope that foreign investment will continue to flow and the initial negative feeling which was created about this government has waned away now."

Gold Hasn't Done Well, but History Is on Its Side

By Eric Hubler
New York Times Service

A bit over four years ago, an aging German uncle who has seen a lot of trouble gave his niece a wedding gift of three gold coins, along with this admonition: "May you never have to use them."

Let's hope not. Those coins, slumbering in a bank vault, have declined 26 percent in dollar terms. Blue-chip stocks, meanwhile, and some real estate have more than doubled.

What kind of hedge is that — a hedge against getting rich? Is gold, the traditional talisman against everything from tycoon to inflation to stock market meltdowns, losing out?

No, says Douglas Cohen, an analyst for Morgan Stanley Dean Witter — but you could be forgiven for thinking so.

"History is full of episodes where people have said gold is dead, and sure enough, it's tended to rally back very strongly," he said. "Gold has shown signs of years of history on its side."

What's scary now is that, at about \$289 an ounce, gold is not far from its production cost of \$250 to \$260 an ounce, although it is up from January's 18-year low of \$278.

Gold has quite a roll call of negatives. Start with currencies: Because gold is denominated in U.S. dollars, which are currently strong, it is less affordable than it once was to traditionally gold-hungry markets like India.

But even with demand down, production has been rising in Australia, Canada and South Africa, and there are fears of more gold coming to market,

perhaps from the Russian central bank or the International Monetary Fund seeking to raise cash during Russia's fiscal crisis.

What is bad for gold has been even worse for gold shares. Gold has fallen less than 2 percent in 1998, but Morn

INVESTING

ingstar Inc., the Chicago mutual fund publisher, says the average precious metals fund fell 21.8 percent this year through last Monday and 43.5 percent in

the year ended in March 1997.

But Harry Bingham, who manages two gold funds for Van Eck Associates, says gold is as important as ever. "Gold is the only money," he said.

"You might say silver is money, but that's only pocket change. And every-

thing else we call money is really a credit instrument."

After the 1929 market crash, when stocks declined 90 percent, gold rose 70 percent, and the shares of gold producers like Homestake Mining catapulted 700 to 800 percent. Talk about a diversifier: "Ten percent in that would have salvaged the whole portfolio," Mr. Bingham said.

"We're seeing some paper money just evaporate" today, he said, citing the Indonesian rupiah and the South Korean won. "So I think we're probably fairly close to a turning point in the perception of the value of gold versus paper money."

Daniel Leonard, manager of the Invesco Strategic Gold Portfolio fund, said: "If you were in the yen and bought gold a couple of years ago, you're look-

ing pretty good now." The same goes, he says, for people who have put food on the table with rubles or yuan or Canadian dollars.

In the United States, gold investors typically buy shares in either gold mutual funds or mining companies, rather than the metal itself.

Bill Martin, manager of the American Century Global Gold fund, favors Barrick Resources, which has reduced costs \$150 an ounce at a new mine in Peru.

Leo Larkin, a metals analyst at Standard & Poor's Corp., mentions Newmont Mining, Placer Dome and Barrick as low-cost producers.

The woman with the wise uncle, meanwhile, reports that those three nautical coins are staying right where they are.

Nike Under Fire Over Australian Labor Code

Agence France-Presse

SYDNEY — The sportswear giant Nike came under attack Sunday over its refusal to sign an Australian code intended to ensure that home-based workers are not exploited.

Opponents of Nike's labor practices said the company had paid home-based workers as little as 2 Australian dollars (\$1.16) an hour, a fraction of the minimum wage here, to make their products.

FairWear, a group fighting the exploitation of home-based workers, said

90 companies had signed the Australian Homeworkers Code of Practice since it was recommended by the Senate 18 months ago.

A FairWear spokeswoman, Pamela Curr, said Nike had continued to refuse to sign the code, which was created to guarantee that home-based workers received a fair wage and were not exploited.

"They say they don't need to — they've got their own code," she said. "We say, 'How can Nike monitor from New York?'

"Nike's code's not good enough for Australian workers," she said.

Ms. Curr said that one of Nike's major competitors, Adidas, had joined the list of signatories last week.

A small group of protesters gathered outside Nike's factory outlet in the Melbourne suburb of Collingwood on Sunday to show their anger at the company's refusal to sign the code.

Nike could not be contacted for comment, but it has regularly denied using home-based workers, insisting that its products are factory-made.

Branson Delays Plans For Virgin Share Offer

LONDON (Reuters) — The British entrepreneur Richard Branson has put off his plan for a £1 billion (\$2.68 billion) flotation of his Virgin Atlantic airline, said a report in the newspaper Sunday Business.

The report, based on an interview with Mr. Branson, said he would only resurrect the plan if he needed to raise cash for another project.

Regulators Approve Acquisition by Nortel

BRAMPTON, Ontario (Bloomberg) — Northern Telecom Ltd. said it received European and Canadian regulatory approval for its \$7.19 billion acquisition of Bay Networks Inc.

Northern said the acquisition received the approval of the European Commission and the Canadian Competition Bureau Saturday, and passed the U.S. antitrust waiting period on Aug. 6 without protest. Bay shareholders will vote Friday, and if they approve it, the purchase will close three days later.

World Bank to Help Sierra Leone Mines

FREETOWN, Sierra Leone (AFP) — The World Bank has agreed to assist Sierra Leone in implementing a plan estimated at \$5 million dollars to develop the country's mining sector.

State radio said Saturday that the bank sent a mining expert to Sierra Leone who helped draw up the new Mineral Resources Development Policy. The radio also said the bank had approved the government's request to provide short-term assistance "to help reactivate mineral production to attract investment and improve small-scale mining."

MARKETS: Effects of the Current Financial Crisis Will Be Long-Lasting, Analysts Say

Continued from Page 1

cent. And analysts are warning that the Bund yield could collapse.

Given the current unease, analysts worry that holders of Bund futures may demand physical delivery instead of, as is normally the case, simply rolling over positions. The concern stems from the fact that positions in the 10-year future amount to some 168 billion Deutsche marks (\$93.46 billion) — more than double the 74 billion DM in the cash market — and demand to satisfy physical delivery on contracts expire could drive the cash price so high that the yield falls sharply below its already record low.

Graham McDevitt, London-based analyst at Banque Paribas, warned that "a traditional analysis of value will become unstuck in this environment," and he cautioned investors to expect the yield to set new lows.

These reductions in benchmark bond yields are causing distress because only they are falling. "Normally, moves in benchmark yields cause changes along the entire spectrum of risk."

When this does not happen, as now, the spreads between the benchmark paper and other securities widens — aalling development, on top of all their other woes, for investors or speculators positioned for spreads to narrow. Traders already report seeing distress selling, particularly by money managers and hedge funds.

It is this change in interest rate relationships that analysts see as so significant in last week's events. The reassessment of credit risk, revaluing it, is evident in the widening to record levels of swap spreads — the basis for nearly all transactions in the international market — and in the very sharp widening of spreads on the entire gamut of issues trading in the secondary market.

To use the most extreme example,

it was Russia's devaluation of the ruble last week that sent tremors not only through other East European markets but also in markets in Latin America where fiscal imbalances and rising financial needs make countries vulnerable to a loss of confidence.

Deutsche Bank last week reported "a high probability that Venezuela will devalue in the next few days" and observed that yield curves in Brazil, Chile

"the current environment is the most difficult in recent decades."

Dollar Seen Rising Against Yen

The dollar is expected to rise against the yen this week on signs Japan's recession and banking crisis are deepening, keeping investors leery of the country's financial assets and the currency needed to buy them, Bloomberg News reported.

The dollar rose Friday after troubled Long-Term Credit Bank of Japan Ltd. said it would seek taxpayer money to help get its house in order before merging with Sumitomo Trust & Banking Co.

LCB's troubles are "reminding people how dire things are in Japan's financial sector," said Thomas Benfer, director of foreign exchange at Bank of Montreal.

With the entire emerging market sector effectively closed to new borrowings, Jan Loeyens at J.P. Morgan in London said that "the real crisis will hit when Latin American governments and companies need to refinance themselves and discover how little appetite there is (for new lending) in the market. The capital market is not open," he said.

"banks in the United States, Western Europe or Japan are in no mood to increase their exposure" through syndicated loan market.

With Latin America and Eastern Europe threatening to join in Asia's economic woes, Mr. Lipsky said that

and Colombia "are pricing in devaluation in the next six months." Mexico's equity and currency markets were also under pressure last week.

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BOOKS

DREAMER

By Jack Butler. 418 pages. \$25. Knopf.

Reviewed by Kevin Allman

JACK BUTLER has published novels ("Living in Little Rock with Miss Little Rock," "Jujitsu for Christ"), short stories, poetry and even a collection of recipes ("Jack's Skillet"). His latest work, "Dreamer," is a New Age espionage thriller, not a cookbook, but there are still a lot of ingredients in Butler's literary slumgullion.

Our heroine is Jody Nightwood, a sleep researcher who runs a clinic in Santa Fe. By day, Jody and her best pal Toni treat insomnia and anxiety; by night, she runs her own experimental dream research, paid for with a grant from a mysterious pharmaceutical concern. Jody is a whip-smart young woman who doesn't know how to turn off her own brain sometimes: "I get vitamins from thinking," she complains.

Meanwhile, somewhere in the highest levels of government, a renegade computer scientist has come to the conclusion that the first true artificial intelligence will be a computer that can dream, and his obsession leads him straight to Santa Fe and Jody's nocturnal studies.

All the dream research in the world

can't cover up the fact that Jody's waking life is in shambles; on Valentine's Day, she ends up buying chocolates for her cats and eating the candy herself. So when a tall, good-looking writer named John Shade shows up, a mysterious self-proclaimed "country boy," Jody falls for him like a Madison County housewife. But Shade is part of the cabal out from the other side?

Butler does a good job keeping us guessing for a while, and even midway through "Dreamer," we're not quite sure. None of the characters is quite what he or she seems. This is fun, for a hit; Toni's boyfriend Vic Vigil, for instance, isn't just a cop, but an Indian shaman named Dead Man Walking.

But when Shade is revealed to be a CIA operative, but — as readers of Butler's "Nightshade" will have guessed — an honest-to-gosh vampire (from Transylvania, Virginia, no less), things go from fanciful to far-fetched, and Butler's story goes into a long skid when he attempts to meld his cybersupernatural love story with a mundane espionage plot involving the CIA. It's a load of cheap-jack Hollywood folderol that piles spooks upon spooks to a confusing effect, until it seems that the whole of the U.S. in-

telligence world is focused entirely on Jody Nightwood. The most annoying of these contrived fellows are a pair of gay assassins-for-hire, one a cultured Brit and the other an American boy with the face of Tom Cruise and the soul of Andrew Cumanan.

"Dreamer" is at its best when Butler is riffing about the nature of dreams and puncturing Santa Fe's New Age think tanks and touchy-feely folk. And when Jody and company sit around discussing their own theories about the meaning of dreams, it's got the relaxed, intellectual charge of a bunch of grad students gassing about their fields over a bottle of wine.

Under all this, though, Butler keeps coming back to the CIA subplot, and it's during these interminable Spy vs. Spy digressions that one's mind has time to wander. That, unfortunately, proves fatal for "Dreamer," as the holes in the plot begin to run like nylon.

"Dreamer" is the product of a pyrotechnic mind that doesn't know when to stop lobbing Roman-candle ideas. By setting off every firework in its arsenal simultaneously, "Dreamer" ultimately enervates instead of dazzles.

Kevin Allman, an Edgar nominee for his novel "Tight Shot," wrote this for The Washington Post.

BRIDGE

By Alan Truscott

A GAME was played in Seattle in June at the home of Bill Gates of Microsoft, whose guests included Warren E. Buffett of Berkshire Hathaway, one of his two closest rivals for the title of world's wealthiest man. The third was Katharine Graham, the former publisher of The Washington Post. The fourth was Sharon Osberg, Gates' bridge teacher, who contributed master points rather than cash to the total around the table. Everyone was so enthusiastic that the game went on for seven hours.

None of the deals proved memorable. On another occasion Osberg, South on the diagrammed layout, convinced Buffett, who was West. But her play would have fooled many a world champion.

The contract was six trump, reached simply. When North made a strong rebid, South used Blackwood en route to slam. The opening heart lead was won with dummy's ace. South counted 11 tricks, and saw that the 12th would probably have to come from the diamond suit. This requires a guess about the location of the ace and queen. Most players would postpone the

guess until late in the play, which is often the right strategy. But it is not right bere. South's best chance of making a diamond trick is to play the suit immediately. Obviously the result is predetermined if both the ace and the queen are in the same hand, so South simply worries about split honors. There are two expert strategies. One is to lead the 10 from dummy at the second trick, with the reasonable expectation that East will cover with the queen if he has it. Playing low would permit the declarer to take two diamond tricks with a holding beaded by ace-jack or king-jack.

Osberg followed a second path by leading low from dummy and putting up the king. This lost to the ace, but West had no idea that East held the queen. He played a second heart, and South was

now able to bring her back-up plan into action. She took the heart king and ran five club winners to reach this ending:

The lead of the last club squeezed East

APPLIED

NASDAQ NATIONAL MARKET

Consolidated prices for all shares traded during week ended Friday, Aug. 21

Sales Div Yld 100s High Low Cls Chg

Stocks Div Yld 100s High Low Cls Chg

Sales Div Yld 100s High Low Cls Chg

Stocks Div Yld 100s High Low Cls Chg

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SPORTS

Ajax Opens Season With Shutout Victory

Mallorca Upsets Barcelona to Win Supercup

Compiled by Our Staff From Dispatches

Ajax Amsterdam, the Dutch champion, began the new soccer season Sunday with a comfortable but uninspiring 2-0 victory over Willem II Tilburg.

Sjota Arveladze opened the score for Ajax in the seventh minute and Danny Blind struck the second from just outside the penalty area 19 minutes later.

With better finishing, Ajax could have matched the 6-1 scoring line in the corresponding match last season. Even

SCOTLAND Mark Burchill, who just turned 18, came off the bench to score with five minutes to play as Celtic came from a goal down to defeat Dundee United, 2-1, on Saturday. It was Burchill's debut for Celtic.

Robbie Winters gave Dundee United the lead in the 31st-minute, but Craig Burley, a member of the Scottish World Cup team, leveled the score after 80 minutes.

Burchill had also been at the World Cup in France with Scotland's team—he carried the club's bags.

Hearts beat Aberdeen, 2-0, to move to the top of the standings. (Reuters, AP)

■ U.S. Federation Names Chief

Robert Contiguglia became president of the U.S. Soccer Federation on Saturday and said the United States would bid to host for the World Cup in 2010, The Associated Press reported, from Wailea, Hawaii.

Contiguglia, 56, was endorsed by the federation's outgoing president, Alan Rothenberg.

Contiguglia said he would stay with Rothenberg's list of four candidates for coach of the national team. The D.C. United coach, Bruce Arena, is still thought to be the leading contender to succeed Steve Sampson, who quit after the United States went 0-3 at the World Cup in June and finished last in the 32-nation field.

The former U.S. coach Bora Milutinovic remains under consideration, as does the former Brazil coach Carlos Alberto Parreira and the former Portugal coach Carlos Queiroz.

so, the result and performance was more convincing than those of its main rivals.

Reyeoend Rotterdam beat Fortuna Sittard, 2-1, on Friday with a 90th minute goal by Henk Vos. PSV Eindhoven, the runner-up last season, could only draw, 1-1, at newly promoted Cambuur Leeuwarden on Saturday.

The top scorer in the opening round was Utrecht, who won 4-2 at NAC Breda on Sunday.

SPAIN Daniel Garcia scored the only goal as Mallorca beat host Barcelona, the Spanish champion, 1-0, on Saturday night. With the victory, Mallorca won the Spanish Supercup, the first trophy of the season, 3-1, on aggregate.

Mallorca had won the final's first leg, 2-1, last Tuesday in Palma. It was the first time Mallorca had won any trophy in Spanish soccer.

The Supercup is played between the winner of the first division and the Spanish cup champion. Since Barcelona won both, Mallorca qualified as the losing cup finalist.

Seles Wins 4th Canadian Title

Agence France-Presse

MONTREAL — Monica Seles won her fourth consecutive Canadian Open Sunday with a 6-3, 6-2, victory over Arantxa Sanchez Vicario of Spain.

But the match proved to be something of an anticlimax. Seles seemed out to have recovered from a long semifinal on Saturday evening against the world No. 1, Martina Hingis, while Sanchez Vicario produced an error-filled performance.

Seles broke early to take a 3-0 lead in the first set and started as strongly in the second set, breaking the Spaniard's serve in the opening game.

The only time Sanchez Vicario looked like she might make a comeback was in the sixth game of the second set, but she squandered her opportunity to break serve.

Seles faced only one break point in the match and lost only 10 points on her serve.

The match-winning shot, which trickled over the net cord, summed up the afternoon. Seles said it had not been her "most stylish" performance.

It was the first tournament victory of the year for Seles, the former world No. 1 who is currently ranked No. 6, and came eight days before the start of the U.S. Open.

• Karol Kucera won his first title in the United States when he beat Goran Ivanisevic, 6-4, 5-7, 6-2, on Sunday in the final of the Pilot Pen International in New Haven, Connecticut.

Kucera, a Slovak who was seeded seventh, upset Richard Krajicek of the Netherlands in the semifinals while Ivanisevic, the eighth seed, ousted the 1997 champion, Yevgeni Kafelnikov.

• Monica O'Sullivan of Ireland added the 5,000-meter gold medal to her 10,000 title by surging ahead in the last 100 meters.

O'Sullivan, a former world champion at the distance, picked up her second gold medal the same way that she won the 10,000 on Wednesday: by using her powerful finishing kick.

"All the way down the home straight

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SPORTS

A Birthday Bunt Carries the Twins

Molitor, 42, Comes Through in 9th

The Associated Press
Paul Molitor celebrated his 42nd birthday with a bunt single with two out in the bottom of the ninth inning to drive in the winning run as the Minnesota Twins beat the Boston Red Sox, 4-3.

The play on Saturday night in Minneapolis was vintage Molitor — heady and hard-charging all the way, despite a sprained ankle.

After taking a ball from the 43-year-old Dennis Eckersley, Molitor saw the Boston third baseman, John Valentin,

AL ROUNDUP

take a step back. That gave Molitor a little extra space, and he dropped the bouncing bunt to third.

Eckersley was the only player in position to make a play, but he threw late and wide of first base. The ball trickled into right field, allowing Pat Meares to score the winning run and Molitor to collect career hit No. 3,281.

But the hit was unlike any other Molitor could remember in his 21-year career: a two-out, game-winning bunt single in the bottom of the ninth.

"I guess after 21 years there's still time for firsts," he said.

Admittedly anxious after a weeklong layoff because of the ankle, Molitor took only one pitch through his first four at-bats, going 0-for-4 and stranding four runners.

Orioles 6, Indians 3 In Baltimore. Scott Erickson pitched a seven-hitter for his AL-best ninth complete game and the Orioles took advantage of eight walks and a balk to beat Cleveland.

Cal Ripken homered as the

Orioles snapped a two-game

losing streak and improved to 31-10 since the All-Star break. Manny Ramirez hit his 30th homer for Cleveland, which fell to 8-13 in August.

Erickson (14-9) struck out

five and walked four. The right-hander has won his last three starts and is 6-2 in his last nine appearances.

The Indians' starter, Bartolo Colon (13-7), allowed only five hits in 5½ innings, but issued six walks for the second straight game. Three of those walks turned into runs.

Astros 7, Tigers 2; Athletics 7, Tigers 1 Ben Grieve went 3-for-4 with three RBIs and Tom Canniotti (9-14) pitched a six-hitter as host Oakland swept a doubleheader and stretched its winning streak to six.

In the opener, Gil Heredia (1-0) won in his first major league start since 1995. T.J. Mathews got a save and Brian Moehler (12-10) was the loser.

Rays 3, Devil Rays 2 Jose Rosado (7-9) overcame a first-inning jam and allowed just three hits in eight innings. Jeff Montgomery pitched the ninth for his 25th save in 32 chances, but allowed Fred McGriff's 15th homer.

Yankees 12, Rangers 9 Scott Brosius hit a three-run homer off a former Yankee, John Wetteland, in the eighth, and New York's 22-year-old righthander, Ryan Bradley, won his major league debut. The Yankees have won 14 of their last 17 games, including five of six over Texas.

Mariners 5, White Sox 4 In Seattle, Edgar Martinez singled home the winning run in the 11th inning off Jaime Navarro (8-15).

Ken Griffey Jr. went 2-for-4 with two walks and remained stuck at 42 homers. He hasn't homered in 31 at-bats and has just one round-tripper in his last 85 at-bats over 21 games.

Angels 5, Blue Jays 1 In Anaheim, Steve Sparks (8-2) scattered seven hits in seven innings to outduel Kelvin Escobar (2-2), who struck out a career-high 11 batters in seven innings.

Dodgers 10, Expos 6 In Montreal, Sean Casey hit a three-run homer and drove in five runs, and Jason Bere pitched seven shutout innings to lead Cincinnati to a rout over the Expos.

Casey, who went 3-for-4, had an RBI double in the first and a run-scoring single in the second. He hit his fourth



The Braves' Andres Galarraga, who charged the mound after being hit by a pitch, being flipped by the Dodgers' pitcher, Darren Dredort. Galarraga was ejected and Dredort left the game with cuts sustained in the fight.

Lansing's 3-Run Homer Lifts Rockies

The Associated Press

Mike Lansing hit a three-run homer and John Thomson won his third consecutive decision as the Colorado Rockies defeated the Phillies, 5-2, on Sunday in Philadelphia.

Thomson (8-8) allowed nine hits and two runs in seven innings. He struck out six and walked one.

Chuck McElroy pitched the eighth, and Jerry Dipoto finished the game for his 16th save in 19 opportunities. Dipoto matched a career high for saves.

The Rockies' right fielder, John Vander Wal, helped by throwing out two runners who were trying to advance into scoring position.

The Rockies broke open a 2-1 game in the sixth with Lansing's three-run homer. Todd Helton drew a one-on walk, Vander Wal singled and Lansing hit a fastball from Mike Grace (4-7) into the left-center field stands for his second homer.

Reds 10, Expos 6 In Montreal, Sean Casey hit a three-run homer and drove in five runs, and Jason Bere pitched seven shutout innings to lead Cincinnati to a rout over the Expos.

Casey, who went 3-for-4, had an RBI double in the first and a run-scoring single in the second. He hit his fourth

homer in the fourth to chase the Montreal starter, Javier Vazquez (4-13). Bere (1-0) allowed two hits and combined with two relievers on a four-hitter as the Reds blanked the Expos for the second straight day.

In games played Saturday:

Astros 8, Cubs 3 Randy Johnson allowed two hits in seven innings for his fourth victory in five starts with Hous-

NL ROUNDUP

ton and Moises Alou went 4-for-5 with his 37th homer as the Astros won, 8-3, in Chicago.

Johnson (4-1), who didn't allow a hit after the second inning, walked three and struck out nine, including Sammy Sosa in the third. Sosa was hitless in five at-bats — 0-for-3 vs. Johnson — with one strikeout, leaving him with 49 home runs. But Sosa hit his 50th on Sunday against the Astros and trailed Mark McGwire, who hit his 52d on Saturday night, by two homers.

Marlins 5, Diamondbacks 4 Mike Piazza hit his major league-leading fourth grand slam, made a sliding catch into the Arizona dugout and threw out a runner trying to steal.

Braves 7, Dodgers 5 In Atlanta, Walt

Weiss and Gerald Williams each hit two-run singles and Chipper Jones hit his 30th homer in a game that was marred by a brawl.

In the second inning, Atlanta's Andres Galarraga was hit by Darren Dredort's pitch and charged the mound. Galarraga swung at Dredort's head as he lunged toward the pitcher and the two players fell to the ground as both dugouts emptied.

Pirates 6, Rockies 1 In Philadelphia, Paul Byrd (2-0) pitched a five-hitter for his second straight complete game. Pedro Astacio (11-13) had a two-hit shutdown going with two outs in the fifth, but then gave up Scott Rolen's three-run triple and Rico Brogna's two-run homer.

Giants 5, Marlins 4 In Miami, Marvin Benard's pinch-hit RBI single capped a three-run rally in the ninth inning, and Jeff Kent hit a sacrifice fly in the 10th for San Francisco.

Brewers 8, Padres 4 In Milwaukee, Rafael Roque (1-1) got his first major league victory despite giving up solo homers to Quilvio Veras, Greg Vaughn and Ruben Rivera.

McGwire Crushes 52d as Cards Lose

By Richard Justice
Washington Post Service

PITTSBURGH — Francisco Cordova, one of the Pittsburgh Pirates' right-handers, learned his lesson in the first inning.

After getting two quick strikes on the St. Louis Cardinals' slugger Mark McGwire, Cordova threw a fastball over the outside corner of the plate.

As McGwire has chased baseball history in recent weeks, he's found few fastballs and even fewer strikes. Cordova violated both rules at once on Saturday, allowing McGwire to turn on the ball and attack it with all of his 245 pounds (111 kilograms).

He slammed it over the center field fence for his 52d home run of the season. That quickly, he'd given 45,082 fans at Three Rivers Stadium what they'd come for, even as the Pirates pounded out 16 hits and waltzed to a 14-4 victory.

On a strange night when the home team was booted and the visitors were cheered, when what the Cardinals' manager, Tony La Russa, calls "the show within the show" really was the *only* show, McGwire remained on pace to become baseball's single-season home run king.

He homered, walked, singled and almost had No. 53 off a reliever, Mike Williams, in the seventh inning. He lined a 2-1 pitch into dead center field, but Adrian Brown ran it down near the wall.

Still, his one giant swing had been enough. He needs 10 home runs in the Cardinals' final 33 games to break Roger Maris' single-season record of 61 in 1961. He needs just eight more to become the third player in history to hit 60 home runs in a season. Babe Ruth is the only other player to have done it.

"It's a very difficult thing to do, and it's going to be even harder down the stretch," McGwire said. "I can only prepare myself, and if it hap-

pens, it happens. I'm trying to enjoy it. I don't know if I'll ever be in this position again."

With every home run McGwire hits, another milestone falls. On Saturday night, he became the first major leaguer to hit 52 before Sept. 1, and he's just the fifth National Leaguer to hit 52 home runs in a season. The last was George Foster in 1977.

The Cardinals didn't arrive in Pittsburgh from New York until 4 A.M., so La Russa canceled batting practice, disappointing the hundreds who'd shown up to watch McGwire rifle pitch after pitch into the seats.

But McGwire did show up for a 30-minute interview with about three dozen reporters. Then, in the first inning, he gave the fans the real thing.

"It amazes me how everyone wants a piece of him," said the Pirates' catcher, Jason Kendall. "This game is hard enough as it is, and he has to block all the stuff he's going through out to go out and do his job. It's amazing what he does for the game."

Just when some thought McGwire's bat had slowed and his chances of catching Maris or Ruth were fading, he has "found my second wind." After hitting two home runs in a 17-game stretch, Saturday's homer was his fifth in six games. He also drew his 135th walk, giving him 23 in the past 16 games and keeping him within reach of the major league record of 170.

The Pirates had never sold out back-to-back, regular-season home games, but with McGwire in town they did. And when he stepped into the batter's box, he received a long, loud ovation.

"It takes you off guard," McGwire said. "I don't think any visiting player is used to having a large crowd cheering for him. Oh yeah, you feel it. It's amazing."

The Mystery of Mark Wohlers: Why Did Atlanta Pitcher Lose His Control?

By Bruce Weber
New York Times Service

RICHMOND, Virginia — It was, until the seventh inning, an ordinary, lackluster baseball game in a minor-league park. The crowd of a few thousand, comfortable on a cool night and used to poor play by the last-place hometown Richmond Braves, still managed to sustain a low-level partisan buzz as the score remained tight, cheering in surprise at a rally in the sixth, when the Braves took a 4-1 lead over the Louisville Redbirds.

But then Mark Wohlers came in to pitch the seventh for Richmond, and the fans went quiet. Wohlers, 28, has been a major league star since 1991 — a relief pitcher for Richmond's parent club, the Atlanta Braves, and among the hardest throwers in the game. Capable of overpowering hitters with his fastball, he saved 97 games for Atlanta spanning 1995 and 1997.

But earlier this year, Wohlers suddenly lost his ability to throw strikes. As the summer has gone on and he has twice been demoted to the minor leagues, his control has only become increasingly erratic, his appearances sprinkled with pitches that bounce in front of the plate or soar to the backstop. His struggle to reclaim his gift, apparently buried beneath a welter of emotional and psychological problems, has become a disconcerting public drama, his malady all the more poignant for its fundamental mystery.

Frustrated and bewildered, Bobby Cox, the Atlanta Braves' manager, has publicly worried that Wohlers' career might be over. And Wohlers himself, asked recently how this had happened to him, shrugged and said, "I wish I knew."

Wohlers' delivery has been picked apart by instructors; he has spent time this summer virtually recreating himself as a pitcher, going

through his motion without throwing the ball or climbing the mound. His desperation, perhaps, has been compounded by guilt; he has pledged to pitch a year to nothing in salary after his current multimillion-dollar contract runs out.

"I'd go to the ball park, throw, do what I needed to do in the weight room, and then for the next 22 hours I'd be in my hotel room, by myself, driving myself crazy," he said of his worst days. "I was very lonely, and very scared."

The International League (Class AAA) game against the Redbirds offered no answers and no relief. Wohlers retired the first Louisville batter on a fly ball, but that was the last out he recorded. Two walks, a wild pitch and a single produced two runs. He walked two more to load the bases before Max Venable, the Richmond manager, took him out. Wohlers threw 25 pitches, 6 for strikes. The fans moved from cheers to boos as the inning went on. But when Wohlers walked off the mound, they offered disheartened, sympathetic applause.

He is physically fit; his arm is fine. And though he has had personal problems that have been distracting — his wife of six years recently filed for divorce, and at the end of July his mother had a heart attack — by all accounts, he is throwing his lesser pitches such as the slider and the split-finger fastball well. It's only when he throws his fastball, his bread and butter, that his delivery runs afoul.

The mechanical problems with his delivery have been easy enough to analyze; his mind is getting in the way of correcting them.

"I don't know that there is any explanation," said Wohlers, who has been watching films of his better days to reinforce a positive self image. "I know there are things that I do with my slider and my split that are correct that I don't do with my fastball. I fly open. I get to the point where I am about to release the ball, and my whole upper

body just jerks."

He is a classic closer, in the mold of Goose Gosage or Mitch Williams, fastballers with毁灭性 power.

"He was never a Maddux or a Glavine," said Bill Fischer, the Richmond pitching coach, referring to Atlanta's masterly control pitchers, Greg Maddux and Tom Glavine. "But I'll tell you this: He was a lot better than what he is. He can't throw the damn ball over the plate."

Fischer would seem to be the right guy for Wohlers; as a pitcher for the Kansas City A's in 1962, he threw 34½ consecutive innings without walking a batter, the major league record.

"This is a man who throws 96 or 98 miles per hour, and he's been a closer, one of the best," said Fischer. "So you can't just throw him to the wolves. And everybody's pulling for the son of a buck. It would be different if he were a jerk, but he's a good guy. He's like a guy out in the ocean, going up and down, drowning, and we've got the life jackets, but they're tied down and we can't get them to him."

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